



# ***Daily Report***

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## **China**

FBIS-CHI-89-169  
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# Daily Report

## China

FBIS-CHI-89-169

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1 September 1989

**NOTICE TO READERS:** An \* indicates material not previously disseminated in electronic form.

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## General

### Further on International Cambodia Conference

#### Li Peng Comments

BK3108122389 *Beijing in Cambodian to Cambodia*  
1030 GMT 31 Aug 89

[Text] On 30 August in Beijing, Li Peng, chairman of the the Chinese Council of State, held talks with Imiaz Ali, the Pakistani prime minister's adviser on national defense.

When talking about the Paris International Conference on Cambodia, Li Peng said this conference is into its last day. However, because of the intransigent position of Vietnam and the Phnom Penh authorities, the conference failed to achieve the expected result. He said in order to solve the Cambodian problem justly and reasonably, China is happy to cooperate with concerned countries to make further efforts.

#### XINHUA Commentary

OW0109122989 *Beijing XINHUA in English*  
1155 GMT 1 Sep 89

["Commentary: Touchstone of Sincerity—Comment on Paris Kampuchean Conference (by Yang Mu)"]—XINHUA headline]

[Text] Paris, August 31 (XINHUA)—The month-long Paris International Conference on Kampuchea which drew representatives from 19 nations and 23 parties was a giant touchstone.

The result of the experiment showed that Vietnam is not a piece of gold but stubborn iron.

Vietnam has no sincerity in the search for a comprehensive political settlement on the Kampuchean problem, nor does the Hanoi-propped Phnom Penh regime.

Vietnamese Foreign Minister Nguyen Co Thach said, in a meeting with his French counterpart Roland Dumas at the Paris conference, "I am like a piece of iron and steel. My flexibility is only the mobility of steel."

Thach's statement basically showed his aggressive nature on the Kampuchean question.

On the two key issues of the Kampuchean question, Thach's stand became the major obstacle in reaching an agreement. The two issues are the real and complete withdrawal of Vietnamese troops from Kampuchea supervised by the international control mechanism under the auspices of the United Nations, and the establishment of a quadripartite interim government headed by Samdech Norodom Sihanouk in a period of transition after the complete withdrawal of Vietnamese troops.

These two issues are the key elements for a comprehensive political settlement.

During the month-long conference, Thach appeared himself or through Phnom Penh leader Hun Sen to oppose the two key issues.

This was shown by the following five respects:

First, he opposed any talk of the warlike nature of invading Kampuchea on the pretext that the Khmer Rouge implemented a policy of "genocide" in its three-year power hold. Vietnam peddled the idea that its invasion against Kampuchea was to help Kampucheans separate themselves from miseries and the withdrawal of its invasion troops from Kampuchea is to "complete its task of internationalism."

At the conference's second stage, a representative from Singapore said that the meaning of genocide in international law is that foreign aggressors try to wipe out an oppressed nation while the Khmer Rouge do not belong in this range.

Some representatives stated that Vietnam invaded Kampuchea and left a large number of political settlers in a planned way, asking whether it is to wipe out the Khmers?

Hence, three working committees under the Paris conference discussed the question, causing Vietnam alarm and confusion.

Many attendants of the conference also spoke of the nature of the Vietnamese troops in invading Kampuchea.

Secondly, Thach opposed a comprehensive political settlement and advocated a partial settlement on Kampuchea.

On the eve of the Paris conference, the Vietnamese authority only spoke of the "international part" of the Kampuchean question while arguing that the "internal part" be settled by the four parties of Kampuchea themselves.

But after the conference opened, the advocacy of a comprehensive political settlement on Kampuchea became the dominant idea of the meeting. Even a representative from the Soviet Union also said drawing a lesson from Afghanistan a comprehensive settlement on the Kampuchean issue should be implemented.

The content of a comprehensive settlement on the Kampuchean issue was written in some agreements of the "international part".

Thirdly, he opposed allowing the U.N. to play a role in the Kampuchean issue. At a news conference at the end of the Paris conference, Hun Sen admitted that the U.N. recognizes the Coalition Government of Democratic Kampuchea joined by the Khmer Rouge.

Vietnam initially opposed having U.N. Secretary-General Javier Perez de Cuellar attend the Paris Conference as a U.N. delegate, then they were against the U.N. playing a leading role in a future international control mechanism in Kampuchea.

Vietnam has boycotted all solutions of the U.N. conferences on Kampuchea and is seeking another way to replace the U.N. role in the settlement of the problem.

However, at the Paris conference, most delegations demanded the establishment of an international control mechanism under the auspices of the U.N., so Hanoi and the Phnom Penh regime found themselves in an isolated position.

Fourthly, opposing to set up a transitional government based on the principle of the four-party equality but insist on establishing such a government by two party concerned. [sentence as received] Hun Sen even stood for holding a general election three months after Vietnamese withdrawal from Kampuchea, however, he adhered to remain the current Phnom Penh regime. [sentence as received]

The three parties of the coalition government, nevertheless, held that there must be a five-year transitional period after the Vietnamese withdraw from the country. During the period, the two parties should dismiss each other's administrative organizations and set up an quadripartite interim government headed by Samdech Norodom Sihanouk.

Nevertheless, the two parties have great differences on this point. The reason is that Vietnam has been trying to establish a Heng Samrin-led government in Kampuchea and continue its control over the country.

Fifthly, opposing the discussion of Vietnam's illegal immigration in Kampuchea. During the conference, Hun Sen said there are about 80,000 to 120,000 Vietnamese settlers in Kampuchea, but on some occasions he said there are not many Vietnamese in the country. He also said that the settlers from other foreign countries are much more than the Vietnamese.

Hun's remark was refuted by the coalition government. They demanded that Vietnam withdraw all its troops along with more than one million immigrants and militants hiding in Phnom Penh's military and governmental organizations.

From the mentioned five points, Vietnam has no sincerity in a settlement of the Kampuchean problem.

The Paris International Conference on Kampuchea recessed temporarily and will resume at a proper time in the future. It is expected that Vietnam should change its illegal and stubborn stand to reach a comprehensive and fair solution of the Kampuchean issue.

### Officials Attend TV Week Opening

OW0109141389 Beijing XINHUA in English  
1332 GMT 1 Sep 89

[Text] Beijing, September 1 (XINHUA)—About 400 Chinese and foreigners gathered here this afternoon in the Great Hall of the People to celebrate the opening of the Beijing International TV Week.

The TV week, the first of its kind in the Chinese capital and hosted by the Beijing TV station, will show more than 60 TV dramas, documentaries, cartoons and art films made for TV presented by 18 TV stations from Czechoslovakia, the Democratic People's Republic of Korea, Egypt, France, Democratic Germany, Hungary, Japan, Mexico, Pakistan, Poland, the United States, the Soviet Union, Yugoslavia and Hong Kong.

The foreign guests and their Chinese counterparts enjoyed a magic show and solo singing as well as tunes from the participating countries played by the Beijing Military Symphony Orchestra.

Li Ruihuan, member of the Standing Committee of the Political Bureau and the Secretariat of the Communist Party of China (CPC) Central Committee; Chen Xitong, state councillor and Beijing mayor; Ai Zhisheng, minister of radio, film and television; diplomatic envoys of related countries in Beijing as well as representatives of China's more than 30 local TV stations also attended the ceremony.

Chen Xitong expressed warm congratulations on the opening of the TV week on behalf of the municipal government and the 12 million citizens. He said he believed the TV week will not only enrich Beijing's TV programs and citizen's cultural life but also promote cultural exchanges and mutual understanding and friendship between the people of Beijing and foreign countries.

According to Long Xinmin, chairman of the organization committee of the TV week and director of the host TV station, the TV series and documentaries represent a variety of cinematographic styles with exquisite characterization and distinct national flavors. Especially, "the documentaries which use realistic expressions and pursue artistic effect are as beautiful as poems," he commented.

He said he hoped the TV week would contribute to the exchange of TV art and friendly co-operation between the Chinese and foreign TV stations.

Long disclosed that the TV week will also include a competition on international knowledge to be participated in by Beijing high school students and a cross-country race along the route of the Mutianyu Section of the Great Wall. The TV week will be highlighted by a soiree of national artistic performances with some 800 performing artists.

### UN Human Rights Resolution on Violations Viewed

#### Government Rejects 'Interference'

OW0109072289 Beijing XINHUA in English  
0654 GMT 1 Sep 89

["China Protests Interference in Its Internal Affairs"—XINHUA headline]

[Text] Geneva, August 31 (XINHUA)—A Chinese delegation has expressed regret over a resolution passed by

the U.N. Human Rights Committee, charging that it groundlessly accuses China of human rights violations.

In a written statement issued here today, the Chinese delegation stated that "the resolution, which was mainly initiated by a number of Western experts, is unjustified."

"It constitutes in essence an interference in China's internal affairs and an attempt to assert pressure on China," the statement said.

The Chinese Government categorically rejects the resolution, which, the statement said, "contradicts the purposes and principles of the U.N. Charter and runs counter to the norms governing international relations."

The statement concluded by stressing that the resolution "is null and void and has no binding force on China whatever."

### Beijing Pressures UN Commission

HK3108015589 Hong Kong SOUTH CHINA MORNING POST in English 31 Aug 89 p 10

[By Geoffrey Crothall]

[Text] China is applying unprecedented pressure on delegates to a United Nations Human Rights meeting in Geneva not to pass a resolution criticising the Chinese Government's military crackdown and mass arrests of opponents, sources in Geneva said yesterday.

One of the 26 human rights experts who sit on the UN Sub Commission on Prevention of Discrimination and Protection of Minorities said the Chinese representative had told him China didn't care how tamely the resolution was worded, it must not be approved.

Delegates in favour of the already watered-down resolution calling for China to show clemency to those arrested are being "heavily encouraged to change their minds", sources said.

A Non-Government Organisation (NGO) representative to the UN said: "There have been some quite extraordinary scenes of manoeuvring and influence-peddling in the corridors outside the conference chamber."

A senior Chinese diplomat was seen in the coffee bar summoning the 26 delegates one by one to lecture them to the need to consider their country's friendship with China.

Only one delegate refused to attend, but one who did, said he had never been placed under such pressure to vote against a resolution.

The NGO representative said such action was in "direct contravention of UN protocol and compromises the independence of the delegates".

Inside the conference chamber, proceedings have been held up time and again by the Cubans, who are acting as China's main ally at the meeting.

The Australian delegate was interrupted for more than an hour when he tried to raise the issue of Tibet and was left only a few minutes to complete his deposition.

However most of the pressure has been applied away from Geneva. The Chinese ambassadors in the capitals of the 26 countries represented on the Sub Commission have been on the offensive, diplomatic sources said.

### United Nations To Aid Chinese Women, Children

OW3108225789 Beijing XINHUA in English  
1403 GMT 31 Aug 89

[Text] Xian, August 31 (XINHUA)—Two UN organizations will provide China with 20.5 million U.S. dollars in free economic aid during the 1990-94 period for setting set up a national network of children and women's health care, XINHUA learned today.

The fund will be used to build hospitals for gynecology and obstetrics, and health centers for women and children in 300 underdeveloped counties.

This will be the largest co-operation project jointly conducted by China, the UN Children's Fund (UNICEF) and the UN Fund for Population Activities (UNFPA).

Over the past five years, the two organizations have given China 15.33 million U.S. dollars-worth of economic aid, which has been used to set up 174 hospitals and research centers on women and children's health care, and train 81,499 medical personnel for this purpose.

### XINHUA Previews Nonaligned Summit

#### Belgrade Completes Preparations

OW3108180589 Beijing XINHUA in English  
1512 GMT 31 Aug 89

[Text] Belgrade, August 31 (XINHUA)—The Federal Government of Yugoslavia announced that preparations for the ninth summit of the Nonaligned Movement (NAM) has been all completed and everything is ready for the beginning of the conference.

The announcement came following a Yugoslav Presidency meeting chaired by President Janez Drnovsek.

Yugoslavia will, as it always has, prove a host worthy of this exceptionally important gathering and that all its working people and citizens will do their best to make their guests feel at home and ensure everything goes smoothly in the summit, Drnovsek said.

The summit, due to open here September 4, is the largest ever in scale since its founding in 1961. It will be attended by 102 heads of state or government, 10 permanent observers, 20 guests and representatives of liberation movements and international organizations.

Foreign Secretary Budimir Loncar told reporters that Yugoslavia has prepared draft documents for the summit and has tried to keep them short and operative.



A revised version of the documents will be submitted to the ministerial meeting over the weekend for consideration, he said.

He added that the ministerial meeting will verify those documents and recommend a declaration to the heads of state or government, and send the action documents to the political and economic committees, Loncar said.

The setup of the two committees was approved today by an experts meeting attended by ambassadors of 101 full members of the Nonaligned Movement.

### 2,600 Journalists To Attend

OW3108140389 Beijing XINHUA in English  
0806 GMT 31 Aug 89

[Text] Belgrade, August 31 (XINHUA)—More than 2,600 local and foreign journalists have been accredited to cover the 9th summit of the Nonaligned Movement (NAM), which is scheduled for September 4-7, according to sources of the press service of the summit here today.

Among the 2,600 journalists accredited, 900 are foreign journalists from 68 countries on all continents, the sources said.

India has sent the largest number of correspondents—67 press, radio and television reporters, followed by Britain 51, Cuba and Egypt with 48 each, France and the United States 31 each, Algeria 29, the Soviet Union 28, Federal Germany 26, Italy 23, Iraq 22, Iran 17, Indonesia and Zimbabwe 16 and Angola and Palestine 15 reporters each, China and Japan 13 each, they said.

The summit was preceded with a one-day senior officials meeting, which began here this morning, and a two-day foreign ministers meeting to start tomorrow. The officials and the ministers meetings will lay the groundwork for the summit.

Belgrade has set up three press centers for the summit, with the biggest one at the Sava Center, where the summit will be held. The 15-hall Sava Center, with a capacity of 7,000, has ensured more than 1,000 telecommunication lines linked to the world. Most of press booths at the Sava Center have already been rented.

### Officials' Meeting Begins

OW3108132889 Beijing XINHUA in English  
0725 GMT 31 Aug 89

[By Chen Hegao]

[Text] Belgrade, August 31 (XINHUA)—Senior officials of the 101-member non-aligned movement (NAM) began their one-day meeting here this morning to lay the groundwork for the 9th NAM summit scheduled for September 4-7.

Informed sources said that at the preparatory meeting, which was held at the capital's Sava Conference Center, the officials will adopt a proposal on the acceptance of

new members to the movement. Venezuela, currently an observer member of the NAM, is expected to be admitted into the movement.

The officials will also discuss and adopt "The Belgrade Declaration" and 18 resolutions drafted by the host country, Yugoslavia, and submit them to the foreign ministers meeting for approval. The two-day foreign ministers meeting will start on September 1.

The eight-page draft declaration and the draft resolutions concern pressing political and economic problems in the world and challenges to the movement.

The senior officials will also discuss and adopt the agenda for the summit, the sources said.

So far, 53 heads of state and 12 heads of government of the NAM members have confirmed their participation in the summit. Other countries will be represented by deputy prime ministers, foreign ministers and only three by ambassadors from Lebanon, Bolivia and Barbados, according to the Yugoslavian preparatory committee for the summit.

The summit will be attended by 172 delegations from the NAM member countries, observer countries and non-member countries, a record number in the history of non-aligned summits.

The four-day summit will devote its special attention to the modernization of the movement, the security and disarmament, the southern Africa problem, the debt crisis of the developing countries, economic cooperation among the developing countries, and other world and regional issues.

More than 2,600 local and foreign journalists have so far received credentials to cover the summit.

### Analysis of Challenges

OW3108063989 Beijing XINHUA in English  
0552 GMT 31 Aug 89

["News Analysis: Non-aligned Movement Faces New Challenge (by Xu Kunming)"—XINHUA headline]

[Text] Belgrade, August 30 (XINHUA)—The Non-aligned Movement (NAM) is facing a new challenge in world affairs with the world situation changing from confrontation to dialogue and from tension to detente.

The ninth non-aligned summit to be held during September 4 to 7 here is expected to focus on the question of how to adjust to the changing world situation.

The NAM, founded in September, 1961, was founded by Josip Tito, former Yugoslav president; Gamal Abdel al-Nasser, former Egyptian president; and Jawaharlal Nehru, former Indian prime minister. Since the movement was established, it has insisted on the principles of opposing imperialism, hegemonism, colonialism and the arms race.

The NAM also supports the call of national liberation movements for the establishment of a new world economic system and stands for more South-South cooperation and South-North dialogue.

In 28 years, the NAM has developed into an independent political force in the world and played an important part in relaxing international tension, maintaining world peace and promoting world development.

The NAM, which began with 25 member nations, now has 102 members.

The coming summit will be the best-attended in NAM history with 171 delegations, including 101 member countries, 10 observers, 20 guest countries and a number of international organizations and liberation movements. The Warsaw Pact and NATO will also attend the meeting as guests.

Foreign ministers at the last NAM meeting in Nicosia urged reform and modernization of the movement given the new world situation. Yugoslav Foreign Minister Budimir Loncar said recently that the NAM will be in a danger of being left in the brink if it doesn't reform, but he rejected the suggestion that the movement is obsolete.

According to a series of preliminary documents released on the summit, the movement is expected make a marked adjustment of its policies by emphasizing cooperation rather than confrontation and giving top priority to the development of the economy, finding a solution to the debt crisis and establishment of a new world economic order. The issue of environmental protection will be put on the agenda for the first time.

The Yugoslav news agency TANJUG said in a commentary that the status and role of the NAM in the world political arena will be decided by how it responds to the latest challenge.

#### **NPC Delegates Attend Parliamentary Conference**

OW3108210289 Beijing XINHUA in English  
1807 GMT 31 Aug 89

["IPU Centenary Conference To Open in London (by Wang Shengliang)"]—XINHUA headline]

[Text] London, August 31 (XINHUA)—Issues including space, population, food and Third World debt will be discussed by parliamentarians from 100 countries during the 82nd Interparliamentary Conference which will be held here from September 4 to 9.

The meeting, which is also the centenary conference of the Interparliament Union, will be inaugurated by H.M. Queen Elizabeth II on Monday, according to Michael Marshall, chairman of the conference.

High on the agenda are three substantive issues:

—Peaceful access to space and its use for the benefit of mankind;

—The population and food equation; and  
—The search for rational and efficient solutions to the problem of Third World debt to ensure that the world can eat.

Margaret Thatcher, Britain's prime minister, will address the conference Wednesday.

The Interparliamentary Conference is convened twice a year to discuss international issues to seek parliamentary actions. A total of 112 of the world's 145 parliaments are represented in the Interparliament Union, whose origin dates back to 1889.

Marshall told a press conference that the meeting, which will be attended by some 2,000 delegates and observers, will also provide a good opportunity for parliamentarians around the world to discuss bilateral issues.

Marshall, who is also chairman of the British group of the Interparliament Union, also mentioned the Argentine parliamentary delegation headed by Senator Eduardo Menem, brother of Argentina's President Carlos Menem.

On Tuesday Senator Eduardo will discuss with British Parliament members the issue of the sovereignty over the Malvinas (Falklands) Islands.

A Chinese National People's Congress (NPC) delegation headed by Fu Hao, member of the NPC Standing Committee and vice chairman of the NPC Foreign Affairs Committee, arrived here this morning to attend the conference.

#### **Wu Xueqian Meets Asia-Africa Legal Group Head**

OW3108075689 Beijing XINHUA in English  
0720 GMT 31 Aug 89

[Text] Beijing, August 31 (XINHUA)—Chinese Vice-Premier Wu Xueqian met here today with Franka Njenga, secretary-general of the Asian-African Legal Consultative Committee.

Njenga is here to discuss with the Chinese side matters related to the 29th annual meeting of the committee, which is scheduled for March 12 to 17, 1990, in Beijing.

Njenga arrived here Sunday at the invitation of the Chinese Foreign Ministry.

#### **ADB Reports on Asian-Pacific Foreign Debt**

OW3108043789 Beijing XINHUA in English  
1222 GMT 30 Aug 89

[Text] Manila, August 30 (XINHUA)—The external debt situation in developing countries in the Asia-Pacific region (APDCS) compared favorably with the average of the developing world in 1987 and 1988, according to a report of the Manila-based Asian Development Bank.



The external debt of APDCS rose by about 12 percent in 1987, but went up only just over 1 percent in 1988, while their exports rose by over 20 percent in the same year, the report stated.

The debt situation, however, varied across country groups. For newly industrializing economies (NIES) the external debt was not a problem, the report said, since their debt outstanding and debt service payments were low compared with their exports, GNP and international reserves. The NIES have changed from importers to suppliers of capital.

In contrast, the debt situation worsened substantially in Indonesia which, according to the report, became the largest borrower of Asia in 1987.

The external debt of China rose by 38 percent in 1987, the highest increase among the country groups and was estimated to have further increased by 25 percent in 1988.

In South Asian countries the debt situation has also been deteriorating in the 1980s, the report noted.

The report, written by bank economists Dr. Jungsoo Lee and Dr. I.P. David, said "the external debt of APDCS is expected to grow further in the coming two years". The debt situation will vary among countries. While the levels of debt are expected to decline in NIES and Malaysia, they are projected to rise in most other countries.

Although the debt situation in the APDCS as a whole is projected to improve in the next two years because exports will grow much faster than either outstanding debt or debt service payment, the debt burden is expected to remain heavy in Indonesia, Laos, Myanmar (Burma), Papua New Guinea, the Philippines and Vietnam, the report concluded.

## United States & Canada

### Communications Bank To Open New York Branch

OW3108032689 Beijing XINHUA in English  
1425 GMT 30 Aug 89

[Text] Shanghai, August 30 (XINHUA)—The Communications Bank of China will open its first overseas agency this year.

The branch will be located in New York, said Li Xiangrui, chairman of the bank's board of directors and general manager, here today at a national conference attended by bank branch directors.

The bank has had inter-bank liquidity valued at 100 million U.S. Dollars with overseas banks since last May, Li said.

If it goes well, the agency will be upgraded to a branch of the bank, a Chinese financier at the meeting predicted.

So far, the bank has agency ties with 210 foreign banks.

### U.S., Canadian English Teachers Arrive

OW3108050789 Beijing XINHUA in English  
0124 GMT 31 Aug 89

[Text] Beijing, August 31 (XINHUA)—A total of 205 foreign English-language teachers from the United States and Canada have arrived to work at Chinese colleges and universities for the 1989-1990 school year, according to today's "PEOPLE'S DAILY".

About 400 foreign teachers of arts and sciences have been employed by China's Foreign Experts Affairs Bureau this year to work at 120 colleges. They have already arrived to prepare for their classes before the new school year begins.

At receptions given by the bureau on August 26 and 27, Bureau Director Wang Nai said the situation in China is now stable and normal work has resumed. He added that China will strengthen its program of bringing foreign experts to China, and its economic, scientific, technological, cultural and educational exchanges with other countries.

### CAAC Receives Two Boeing Aircraft

OW3008193589 Beijing XINHUA in English  
1458 GMT 30 Aug 89

[Text] Guangzhou, August 30 (XINHUA)—Two Boeing 757 passenger planes, bought by the Guangzhou Administration Bureau under the Civil Aviation Administration of China (CAAC) from the United States, arrived at Baiyun Airport, Guangdong Province, this afternoon.

The two planes, the 6th and 7th bought by the bureau from U.S., was scheduled to be delivered in mid-June. The delivery was delayed due to restrictions by the U.S. Government after the Chinese Government's quelling of the anti-government rioting on June 4.

## Soviet Union

### Aeroflot To Operate on Harbin-Khabarovsk Route

OW0109125689 Beijing in Russian to the USSR  
1900 GMT 22 Aug 89

[Text] The Far Eastern Administration of the USSR's Aeroflot and the Shenyang Administration of the Chinese Civil Aviation Administration have recently concluded an agreement in Harbin for the Harbin-Khabarovsk air route to be commissioned in late September.

## Northeast Asia

### Estimated 600 Chinese Among Refugees in Japan

OW3108210589 Tokyo KYODO in English  
1459 GMT 31 Aug 89

[Text] Fukuoka, Aug. 31 (KYODO)—At least 600 Chinese or Chinese-Vietnamese are among about 1,900 boat

people who have arrived in Kyushu and Okinawa, southern Japan, since late May, local immigration officials said Thursday.

Two more refugee boats were found on Thursday in the sea off Tottori Prefecture and off the Tokara Islands, Kagoshima Prefecture, officials said.

A group of 105 refugees in one of the boats found off Tottori Prefecture called for help as it was rescued by a patrol boat. The boat is expected to arrive in Sakaiminato in the prefecture early Friday.

Another boat carrying about 100 refugees was heading for Nagasaki in the East China Sea off the Tokara Islands, the officials said.

The officials said Chinese or Chinese-Vietnamese were with Vietnamese boat people aboard at least seven of 14 boats that have come to Kyushu and Okinawa.

The number of suspected illegal Chinese immigrants is increasing with the rush of refugee boats and the development of stepped-up screening, officials said.

The officials said they will recognize as boat people only those who came directly from Vietnam as refugees. The officials also said they will closely screen boat people whether they are refugees or not.

The officials said all 107 boat people who arrived in Biryō Island, Nagasaki Prefecture, on May 29 were Chinese. They also said 106 of 204 boat people who arrived off Ojika, Nagasaki Prefecture, on August 28 were from China.

Of 124 boat people found off Senkaku Island, Okinawa, on the same day, 80 were from Fujian Province, southern China, the officials said. They also said 61 of 102 boat people found off Tokunoshima Island, Kagoshima Prefecture, on August 29 were Chinese.

Almost all of 103 boat people found off Fukue Island, Nagasaki Prefecture, on the same day were Chinese, the officials said.

Officials said they also suspect more than half of 137 boat people who arrived in Fukue Island on August 14 were Chinese or Chinese-Vietnamese.

The officials have accommodated 23 of the 107 boat people on Biryō Island as suspected illegal immigrants and decided to deport one of them.

Of 23 suspected illegal immigrants, 17 said they are Vietnamese who moved to work at a farm in China after the China-Vietnam war in 1978, the officials said. The officials said many more boat people say they had worked at the farm after the war.

Japan will not recognize as refugees those who had been Vietnamese in nationality but lived in another country for a definite period, officials said.

The National Police Agency in Tokyo set up a task force on Thursday to deal with the Chinese refugee problem.

### **Qian Arrives in Mongolia; Meets Gombusuren**

#### **Stresses Cooperation**

*OW0109073189 Beijing XINHUA in English  
0641 GMT 1 Sep 89*

[Text] Ulaanbaatar, August 31 (XINHUA)—Chinese Foreign Minister Qian Qichen arrived here today on an official visit for talks with his Mongolian counterpart, Tserenpiliin Gombosuren, to further friendly relations between the two nations.

This is Qian's first trip to Mongolia since he became foreign minister in April last year.

Soon after their talks, the two ministers signed a treaty on assistance between China and Mongolia in civil and criminal law. The treaty, aimed at expanding bilateral cooperation, goes into effect within 30 days.

During their talks in the afternoon, Qian and Gombosuren expressed their satisfaction with the state of relations between the two countries over the past year, and exchanged views on how to promote relations and enhance their bilateral cooperation.

In a welcoming speech at the banquet in honour of Qian and his entourage, the Mongolian foreign minister described Qian's visit as an event which makes a great contribution to the development of friendship and cooperation between the two nations on the basis of the principles of peaceful coexistence.

He called for strengthening trust and expanding cooperation of mutual benefit in the Asian and Pacific region to further friendship and cooperation between Mongolia and China.

Qian said, in turn, that he believes that his current trip will have a positive affect on furthering Chinese-Mongolian friendly relations.

He expressed a readiness to make active efforts to develop good-neighbour ties and cooperation based on the Chinese-Mongolian Treaty of Friendship and Cooperation and on the basis of the five principles of peaceful coexistence.

#### **Bilateral Trade Increases**

*HK0109025689 Beijing CHINA DAILY in English  
1 Sep 89 p 2*

[By staff reporter Ren Kan]

[Text] China and Mongolia are trying to increase trade, an effort which is illustrated by the steady growth of governmental agreements on trade volume this year.

Most trade between the two countries is on a barter basis, according to the governmental trade agreement

signed each year. The 1989 governmental trade agreement signed last year in Mongolia goes up to \$14.37 million, \$1.2 million more than that of last year.

This will not include the booming border trade started in 1985. A new barter trade centre was opened along the border of China's Xinjiang Uygur Autonomous Region and Mongolia in July. The items bartered at the first centre, Erenhot, which sits between China's Inner Mongolia Autonomous Region and Mongolia, reached over \$11.97 million during the first eight months of this year, about the total of last year's bartering.

Although Yuan Cunxiang, an official of the Ministry of Foreign Economic Relations and Trade, declined to estimate this year's total trade volume including the governmental agreement trade and border trade, he said he is sure the figure will surpass last year's \$21.27 million.

The two countries signed their first governmental trade agreement in 1951. In 1960, bilateral trade volume reached the record of \$46.96 million, representing 20 percent of the Mongolia's total foreign trade value.

In the 1970s, however, the average annual trade volume declined to about \$5.99 million as diplomatic relations between the two countries cooled down.

Then came the second boom in the 1980s, especially after 1985, with the normalization of bilateral relations, Yuan said.

In 1985, border trade was initiated to supplement government trade. It reached \$389,221 for the first year.

China traded silk, tea, medicine, down garments, paints, daily use products and light industrial products for plywood, marmot skins, horse hides, scrap iron and animal bones, Yuan said.

Although the trade between China and Mongolia has developed rapidly in recent years, Chinese products only account for 1 percent of Mongolia's imports, he said.

### **ROK Puzzled by Beijing's 'Cooling' of Relations**

*HK0109021789 Hong Kong SOUTH CHINA MORNING POST in English 1 Sep 89 p 13*

[By David Chen]

[Excerpt] Korean officials are unable to fathom why Beijing should abruptly cancel a planned visit to Beijing by a group of high-powered businessmen eager to do business with a post-June 4 China.

While official circles dismissed speculation that the cancellation was politically motivated, analysts pointed to the deliberate cooling of relations on the Chinese side in recent months, due perhaps to a re-orientation of China's foreign policy despite the assurance that the open door to the West would be maintained.

Observers agreed that it would be difficult to assess Beijing-Seoul relations on the basis of one cancelled

business trip, at a time when China was almost begging Western countries to continue trade with it.

However, the fact that it was South Korea whose mission was discouraged could indicate that Beijing would continue to forge better ties with North Korea in its overall strategic consideration of the region.

At the same time, both the South Korean and Chinese governments have dampened enthusiasm that Seoul would soon set up a trade office in Beijing.

"Under the present circumstances, when China is beset with a great many economic problems, the Chinese leadership apparently considers it prudent to concentrate on a few major issues rather than spreading its net wild and wide," one commentator said.

Also postponed indefinitely was a proposal to set up trade offices in each other's capital. The plan has been diligently pursued over the past two years but with the rise of conservative forces in China, it was no longer considered a pressing matter by Beijing.

"It is a pity that bilateral relations have come to a halt," said a Korean analyst who has followed the development of Seoul-Beijing ties for the past 15 years.

"Until early this year, exchanges of various kinds, quite apart from business considerations, have been going on smoothly...on the cultural and academical level, not to mention sport, there have been far greater exchange visits and discussions. Now all this apparently has come to a halt," he said.

One prominent Korean academic who has visited China several times over the past two or three years, said the temporary setback was due perhaps to the disappearance after June 4 of several members of the Chinese Academic of Social Sciences who have been in the forefront in promoting Sino-South Korean ties.

Other analysts view the current development more gloomily. Although direct shipping lines have been established between South Korea and China, the Koreans hardly expect this would lead to a sharp increase in bilateral contacts.

They, however, believe that two recent incidents—the defection by a Chinese army major, and the case of a Chinese student dissident stranded in Seoul who is anxious to avoid being sent back to the mainland—are not the causes for the current temporary chill.

"They are isolated incidents," one analyst said. "And China is sane enough to realise this. However, they could provide some fuel to a policy of distancing China from South Korea." [passage omitted]

### **DPRK's Ho Tam Meets Red Cross Delegation**

*OW3108224189 Beijing Domestic Service in Mandarin  
2130 GMT 30 Aug 89*

[Text] According to a XINHUA report from Pyongyang, Ho Tam, member of the Political Bureau and secretary of the Central Committee of the Workers Party of Korea, met with a delegation from the Red Cross Society of China on 30 August. The delegation is headed by Qian Xinzong, honorary president of the Red Cross Society of China. During the meeting, Ho Tam spoke highly of China's resolve in quelling the counterrevolutionary rebellion.

Ho Tam said: Not long ago, China successfully put down a counterrevolutionary rebellion and achieved stability in the country. At present, both production and people's lives have returned to normal. The recent situation in China shows that socialist countries must hold high the socialist banner and strengthen party leadership in the course of building socialism. The success in China is the result of the revolutionaries of the older generation, headed by Comrade Deng Xiaoping, holding high the socialist banner and upholding the principle of socialist revolution.

## **Southeast Asia & Pacific**

### **State-Owned Firm Invests in Manila Real Estate**

*OW3108142389 Beijing XINHUA in English  
1141 GMT 31 Aug 89*

[Text] Manila, August 31 (XINHUA)—A state-owned company of China has begun investing in Manila's booming real estate development through a joint venture with Filipino firms, it was learned here today.

The Phil-China Group Development Corporation, a joint venture between the Metallurgical Construction Corporation (MCC) of China and the local business entities, among which is the Key Construction and Development Corporation, will set up an 80 million U.S. dollar worth hotel and commercial complex at the site of the 78-year-old Young Men Christian Association (YMCA) compound in Manila.

The investment of the MCC will account for 35 percent of the spending of the hotel and commercial complex, while the local business entities in the joint venture will provide the remaining 65 percent.

The joint project started today in a turn-over ceremony.

The whole complex will be operational between 1991 and 1992. Today's turn-over rites will be followed by a ground-breaking ceremony in mid-November this year.

### **Beijing Reception Marks SRV National Day**

*OW0109114489 Beijing XINHUA in English  
1109 GMT 1 Sep 89*

[Text] Beijing, September 1 (XINHUA)—Vietnamese ambassador to China, Nguyen Minh Phuong, gave a reception here today to celebrate the 44th anniversary of the founding of the Socialist Republic of Vietnam.

He Kang, minister of Agriculture, and other Chinese officials attended the reception.

## **Sub-Saharan Africa**

### **Comoros President Receives Ambassador Qingyou**

*OW3108223789 Beijing International Service  
in Mandarin 0900 GMT 27 Aug 89*

[Text] Speaking in Moroni on 25 August, Comoros President Abdallah said: China is a sovereign country. What happened in China is China's internal affair. Foreign countries have no right to interfere.

Abdallah made this statement after being briefed by Chinese Ambassador Liu Qingyou on China's view of the international situation, its foreign policy, and the quelling of the counterrevolutionary rebellion in Beijing.

The president said that he is a friend of China and that Comoros and China respect each other and do not interfere in each other's internal affairs. He said that friendship and cooperation between the two countries should be strengthened and developed.

## **West Europe**

### **Publications, Writer Interview Leaders**

#### **Li Peng by LE FIGARO**

*OW0109105189 Beijing XINHUA in English  
1025 GMT 1 Sep 89*

[Text] Beijing, September 1 (XINHUA)—Chinese Premier Li Peng had a two-hour meeting with Alain Peyrefitte, president of the editorial board of the French newspaper, "LE FIGARO", here today.

In a detailed manner he answered questions on the current situation in China, China's domestic policies, and Sino-French relations.

#### **Chen Xitong by LE FIGARO**

*OW3108120789 Beijing XINHUA in English  
1135 GMT 31 Aug 89*

[Text] Beijing, August 31 (XINHUA)—Chinese State Councillor Chen Xitong had a 150-minute interview with Alain Peyrefitte, president of the editorial board of the French newspaper, "LE FIGARO" here today.



### Jiang Zemin by Han Suyin

OW0109104589 Beijing XINHUA in English  
1037 GMT 1 Sep 89

[Text] Beijing, September 1 (XINHUA)—Jiang Zemin, general secretary of the Chinese Communist Party Central Committee, had a cordial conversation with British writer Han Suyin here this afternoon.

### East Europe

#### CPC 'Uneasiness' Over Polish Changes Reported

HK0109082689 Hong Kong CHENG MING  
in Chinese No 143, 1 Sep 89 p 14

[Article From 'Reference News' Column by Ming Jen (2404 0086): "The CPC Is Terrified at the Changes in Poland"]

[Text] The old men in the Political Bureau of the CPC are watching the developments in Poland with uneasiness and worry. To them, the incident in Poland is not incidental. The stand of the CPC is that there should be no interference in Poland's internal affairs, but measures must be taken to prevent Poland's situation from happening in China. Deng Xiaoping has showed great concern for Poland's affairs; he said: "This is precisely a consequence of retreat; the blood of the Polish proletariat and communists is wasted." Deng Xiaoping demanded that the whole party oppose the trend of the day.

Since late June, three documents concerning the problems of Poland and the practice of the multi-party system in Hungary have been sent by the CPC Central Committee to the leading cadres at or above the level of ministry and to leaders of provincial party committees. Although these internal references are given as notices on a situation, they are written as "notices on the enemy."

The clique of old men cannot sleep because they were troubled by Poland's affairs. In August, Jiang Zemin said to the chief leaders of the United Front Work Department and the International Liaison Department: Do not think that we can go to sleep because we have quelled the counterrevolutionary rebellion in Tiananmen; if we do not grasp education on the four cardinal principles from now on, this counterrevolutionary political climate will form again (rough meaning).

The CPC has decided to greatly reduce the number of students sent to Hungary and Poland, and to increase the number of students sent to Romania, East Germany, and North Korea.

#### Light Industry Minister Discusses Marketing

OW0109104189 Beijing XINHUA in English  
0952 GMT 1 Sep 89

[Text] Beijing, September 1 (XINHUA)—China's trade with the Soviet Union and other East European countries has a bright future, said Zeng Xianlin, Chinese minister of Light Industry.

The minister, who visited Bulgaria and the Soviet Union last month, said that entering the East European market is part of China's effort to further open to the outside world.

Zeng Xianlin, 60, who studied in Moscow for six years in the 1950s, said that the people there have always appreciated Chinese goods.

When the "China Science Week" was held in Moscow last month many people in the capital waited for several hours for a ticket to the Chinese goods exhibition. Zeng said.

"Many sectors of China's light industry are not operating to their full production capacity," the minister said. For instance the country can turn out 12 million refrigerators each year, and the present annual output is only 7 million.

Therefore, he said, China has the ability to provide East European countries with various products, technology and equipment.

Although the trade volume between China and the Soviet Union reached 1.85 billion rubles last year, nine times as much as in 1981, the figure made up only 3 percent and 1.4 percent respectively of the total foreign trade volume of China and the Soviet Union. China ranked fifteenth among Soviet foreign trade partners in 1988, according to Zeng Xianlin.

The normalization of relations between the two countries has paved the way for further development of their trade, he said.

During last month's visit to the Soviet Union by a Chinese light industry delegation headed by Zeng, China's Shandong and Heilongjiang Provinces signed some trade agreements of intent with several Soviet republics.

Recently the Soviet Union proposed buying 3.6 billion Swiss francs worth of 41 kinds of Chinese consumer goods, including 30 types of daily necessities, within two years. China has set up a special organization to guarantee the supply.

"We do have some difficulties in our trade with East European countries," Zeng said. "Barter trade can hardly satisfy the demand of both sides, and the scope of present cooperation is narrow."

"We should increase our export not only of products, but also of technology and equipment. We can even set up factories in foreign countries, or take on some 'turn key' projects there," he said.

China has already tried to export its know-how and equipment to Third World countries in Africa, the Middle-East and Southeast Asia. It can also provide its quality products and advanced technology and equipment to East European countries, the minister said.

### **Venture Officials Discuss Project With CSSR**

*LD3108125889 Prague CTK in English  
1002 GMT 31 Aug 89*

[Text] Beijing Aug 31 (CTK correspondent)—“Through quick and quality service we want to strengthen our reputation and sale of Czechoslovak engineering products in China”, director of the new Czechoslovak-Chinese CMC-Strojimport venture in Beijing Eduard Klimes has told CTK.

The service centre is based on a concept of new forms of economic cooperation. This is the first Czechoslovak-Chinese venture to provide comprehensive services to customers from market research, machine supplies to their maintenance.

Chinese director Zhang Dewang said that the establishment of the technical-trade centre by the China National Machinery Import and Export Corporation (CMC) and Strojimport Foreign Trade Corporation is a result of the growing demand for these services at a time when China imports an ever increasing number of Czechoslovak engineering products.

### **Li Ruihuan Meets GDR Broadcasting Delegation**

*OW0109105989 Beijing XINHUA in English  
1036 GMT 1 Sep 89*

[Text] Beijing, September 1 (XINHUA)—Li Ruihuan, Standing Committee member of the Political Bureau of the Chinese Communist Party Central Committee, met

Achim Becker, chairman of the Broadcasting Commission of the German Democratic Republic (GDR), and his party here this afternoon.

Li thanked the Socialist Unity Party of Germany and the GDR Government for their support for China's quelling of the June anti-government riots in Beijing.

He briefed Becker on the background of the riots and the lessons that China had drawn.

Both sides also exchanged views on strengthening ideological education and propaganda work.

Present on the occasion was Ai Zhisheng, minister of Radio, Film and Television.

### **Latin America & Caribbean**

#### **Liao Hansheng Meets, Fetes Brazilian Delegation**

*OW3108121689 Beijing XINHUA in English  
1132 GMT 31 Aug 89*

[Text] Beijing, August 31 (XINHUA)—Liao Hansheng, vice-chairman of China's National People's Congress Standing Committee, met and gave a dinner for a delegation from the party of the Brazilian Democratic Movement led by Luiz Soyer, deputy of the Chamber of Deputies.

The delegation, who arrived here August 29 as guests of the Chinese communist Party (CPC), is here to increase contacts with the CPC and to study the development of China's industry, agriculture, culture and its reform and opening to the outside world.



## Political & Social

### Reportage From NPC Central Committee Meeting

#### Officials Report on Economy

OW0109015489 Beijing XINHUA Domestic Service  
in Chinese 1403 GMT 31 Aug 89

[“Local Broadcast News Service”]

[Text] Beijing, 31 Aug (XINHUA)—The Ninth Meeting of the Seventh National People's Congress [NPC] Standing Committee held a full session on the afternoon of 31 August to hear relevant reports and explanations.

Chairman Wan Li was present at the session, which was chaired by Vice Chairman Xi Zhongxun.

Entrusted by the State Council, Vice Premier Yao Yilin gave a report on the implementation of the 1989 National Economic and Social Development Plan; Wang Bingqian, state councillor and concurrently finance minister, gave a report on the execution of the 1989 state budget; Vice Foreign Minister Qi Huaiyuan gave an explanation on the Sino-Mongolian border system and treaty for settling border issues; and Gu Yingqi, vice minister of public health, gave an explanation suggesting that the NPC approve the “UN Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances [jing shen yao wu 4737 4377 5522 3670].”

In his report, Yao Yilin said: Since the beginning of this year, all localities and departments have earnestly implemented the principles for improving the economic environment, rectifying economic order, and strengthening reform, and have adopted a series of policy measures focused on controlling demand and readjusting structure, thereby achieving some progress in the economic retrenchment work in various fields.

Yao Yilin said: A bumper summer grain harvest and an expected rise in the output of early season rice crops have laid a solid foundation for a good grain harvest for the whole year; excessive industrial growth has been curbed but no slump has been reported in industrial production; the scale of investment in fixed assets has been brought under control; domestic markets have been relatively stable, and the momentum of price rises has been slowed; savings deposits by residents have increased by a fairly big margin and more currency has been withdrawn from circulation than last year; the annual plans for foreign trade export and utilization of foreign capital will, in general, be fulfilled.

Discussing present economic difficulties, Yao Yilin said: The contradiction of total demand outstripping supply remains rather conspicuous, and structural contradictions have not been alleviated and have even been aggravated in some respects.

Yao Yilin said: Economic work for the next several months should be focused on the following areas: strictly controlling price rises, striving for a bumper agricultural harvest for this year, mobilizing the masses to go all out to increase production and practice economy and to increase revenues and cut back expenditures, further reducing the investment scale and accelerating the construction of key projects, paying close attention to increasing savings deposits and reducing the issuance of currency, ensuring a good job in opening to the outside world in various fields, and continuing to strengthen reform.

In his report, Wang Bingqian said: Although difficulties and problems still exist, the overall economic situation is making a turn for the better.

Wang Bingqian said: As far as financial resources are concerned, all localities and departments, while making relentless efforts to increase revenues and cut back expenditures, have done a tremendous job and achieved some progress in consolidating tax collection, carrying out the inspection of tax payment and financial accounting, and strictly controlling institutional purchases. However, for various reasons, revenue increase has been slow while expenditure growth has been quick. As a result, the execution of the state budget is not satisfactory, financial strains remain, and the state financial situation is still rather serious.

Wang Bingqian said: Financial problems have accumulated for years, and they cannot be completely resolved within a year or two. It will take 3 years or more to fundamentally eliminate undesirable phenomena in the financial situation. The most important task at the present is to reduce, as much as possible, the discrepancy between financial revenues and expenditures through such necessary measures as exercising strict management to ensure fulfillment of industrial and commercial tax collection; intensifying efforts to implement policies for increasing revenues; further practicing economy and controlling financial expenditures; and continuing to carry out the general inspection of tax collection, financial accounting, and commodity prices.

Premier Li Peng submitted a State Council proposal to the NPC Standing Committee for its approval of the treaty on the Sino-Mongolian border system and the settlement of border problems. The proposal said that the treaty represents the agreement reached between China and Mongolia through friendly talks on the basis of the treaty drafts proposed by each other. After examination and verification, China has signed the Sino-Mongolian Treaty on the Border System, which is in accord with the stipulations in the law of China and also with the need to develop relations between the two countries and is conducive to maintaining the stability of the borders and the tranquility in the border areas between the two countries. In today's meeting, Qi Huaiyuan, entrusted by the State Council, gave an explanation on the necessity to sign the treaty and the signing and main contents of the treaty.

Premier Li Peng also submitted a State Council proposal to the NPC Standing Committee for its examination and approval of the "U.N. Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances [jing shen yao wu 4737 4377 5522 3670]." The proposal said: After examination and verification, it is found that the main contents and fundamental spirit of the convention are in accord with the stipulations in China's Constitution, Criminal Law, Criminal Procedure Law and other relevant laws as well as its current policies. Approval of the convention will be conducive to building a legal system for banning drugs and promoting China's cooperation with other countries in banning drugs, also providing an opportunity for China to play a better role in the international control of narcotic drugs and psychopharmaceutical substances.

In view of this, the State Council suggests that the convention be approved. In today's meeting, Gu Yingqi, entrusted by the State Council, explained the background of the formulation of the convention and its main contents, the reason for its approval, the obligations for China after it approves the convention, and the statement it should make upon approval of the convention.

Ji Pengfei, chairman of the committee for drafting the Basic Law of the Hong Kong Special Administrative Region, wrote a letter recently to Chairman Wan Li. He noted in the letter that on 21 February this year the Sixth Session of the Seventh NPC Standing Committee decided to publicize the Draft Basic Law of the Hong Kong Special Administrative Region and extensively canvass opinions on it. This solicitation of opinions would start on the day the draft was made public and finish at the end of July. The work to canvass opinions has not been completed because it was affected by the situation in the previous period. After studying the matter, the chairman's meeting of the drafting committee proposes that the time for canvassing opinions on the Draft Basic Law be extended to the end of October this year.

Copies of the letter sent by Ji Pengfei were made and distributed today in the meeting for examination by the committee members.

Also distributed in today's meeting were copies of the final draft of the schedule for the election of deputies to the people's congresses at the county and township levels for examination by the committee members.

### Beijing TV Report

OW3108141989 Beijing Television Service  
in Mandarin 1000 GMT 31 Aug 89

[From the "National News Hookup" program]

[Text] [Video shows closeup shots of Wan Li and Xi Zhongxun, followed by closeup shots of Yao Yilin delivering a report. Then, the camera pans through the vice chairmen of the National People's Congress (NPC) Standing Committee, showing medium shots of Zhu

Xuefan, Yan Jici, Ye Fei, Ni Zhifu, Liao Hansheng, Rong Yiren, Fei Xiaotong, Lei Jieqiong, Chen Muhua and Sun Qimeng. It also pans through the conference hall. Next are closeup shots of Wang Bingqian delivering a report, followed by closeup shots of Qi Huaiyuan and Gu Yingqi. The announcer, in voice over video, reports on the proceedings of the meeting]

The Ninth session of the Seventh NPC Standing Committee held a plenary meeting in the Great Hall of the People this afternoon. Chairman Wan Li attended the meeting. Vice Chairman Xi Zhongxun presided over the meeting. At the request of the State Council, Vice Premier Yao Yilin delivered a report on the implementation of the 1989 Economic and Social Development plan.

He said: Since the beginning of this year, we have made certain achievements in improving the economic environment and rectifying economic order in various fields. The output of summer grain reached 187.1 billion jin, registering an increase of 5.1 billion jin over that of last year and hitting an all-time high. The output of early rice is expected to reach 95.9 billion jin, an increase of about 1.9 billion jin over last year. The area of autumn grain crops is 10 million mu larger than that of last year, laying a good foundation for reaping bumper harvests this year. The excessively high industrial growth rate has dropped and there has been no decline in production. In the first 7 months of the year, the total industrial output value in China rose 10.6 percent as compared with the first 7 months of last year. The increase was much lower than the growth rate of 16.9 percent in the first 7 months of last year. From January to July, the investment in fixed assets made by state-owned organizations amounted to 78.6 billion yuan, a decrease of 6.8 billion yuan from last year's corresponding period. The domestic market is stable and the extent of commodity price increases are gradually becoming smaller. In the first 7 months, the savings deposits of urban and rural residents increased by 79.4 billion yuan as compared with the end of last year. At the end of July, 4.5 billion yuan of surplus paper money was withdrawn from circulation after balancing cash expenses and receipts; whereas in the same period last year, 18.6 billion yuan of additional paper money was put into circulation. In the first 7 months, the volume of export trade was \$23.38 billion, a decrease of 0.6 percent from last year's corresponding period; and the volume of import trade was \$20.7 billion, an increase of 10.7 percent. During the same period, foreign loans obtained were 7.6 percent more than those during last year's first 7 months. The annual plan for using foreign capital will be fulfilled.

On present economic difficulties, Yao Yilin said: The contradiction of total social demand exceeding total supply remains very conspicuous. Structural contradictions have not been alleviated and have even worsened in some respects. In the second half of the year, we should strictly control commodity price increases and strive for bumper agricultural harvests this year. We should mobilize the masses to launch a campaign to increase production and practice economy and to raise

revenues and reduce expenditures. We should continue to reduce the scope of investment, step up the construction of major projects, strive to increase savings deposits, and reduce money supply.

At the request of the State Council, State Councillor and Minister of Finance Wang Bingqian delivered a report on the execution of the 1989 state budget.

He said: In the first 7 months of the year, revenues amounted to 132.127 billion yuan, fulfilling 49.1 percent of annual budget and showing an increase of 8.4 percent over the corresponding period of last year. The expenditures amounted to 128.72 billion yuan, fulfilling 46.5 percent of annual budget and showing an increase of 11.4 percent over last year's corresponding period. Revenues exceeded expenditures by 3.407 billion yuan, but the balance was smaller than that of last year's corresponding period.

On major budget and financial problems at present, Wang Bingqian said: Revenue increases were less than what the annual budget demands. The expenditure increase was still too big. It is difficult to transfer financial resources and financial resources are particularly strained at the central level. As of the end of July, we had more than 5 billion yuan of appropriations in arrears to local governments.

Wang Bingqian predicted that annual financial deficits will exceed the annual budget figure. In conclusion, he discussed several measures to reduce the annual deficits.

The meeting examined and discussed a draft resolution on extending the deadline for soliciting opinions on the draft of the Basic Law of the Hong Kong Special Administrative Region to the end of October. It also examined and discussed a draft resolution on the time of the election for deputies to county and township people's congresses.

Vice Foreign Minister Qi Huaiyuan made an explanation of a Sino-Mongolian treaty on the boundary system and the handling of border questions. Vice Minister of Public Health Gu Yingqi made an explanation of a suggestion on ratifying the U.N. convention on banning illegal sale and transport of narcotics and psychotropic drugs.

### More on Yao Yilin Speech

OW0109062689 Beijing XINHUA Domestic Service  
in Chinese 1404 GMT 31 Aug 89

["Local Broadcast News Service"]

[Text] Beijing, 31 Aug (XINHUA)—Entrusted by the State Council, Yao Yilin, vice premier of the State Council, made a report on the execution of the 1989 National Economic and Social Development Plan at today's meeting of the Ninth Session of the Standing Committee of the Seventh National People's Congress [NPC].

He said: Seriously implementing the policy on improving the economic environment, rectifying the

economic order, and deepening reform since the beginning of this year, the various localities and departments have enforced a series of policy measures focusing on controlling demand and adjusting structure, thereby achieving certain results in the work of improving the economic environment and rectifying the economic order in various fields.

1. The bumper summer harvest and the increase in early-season rice output have laid a solid foundation for a good agricultural harvest this year. Since last winter and this spring, the central government and the various governments at other levels have adopted a number of measures aimed at promoting agriculture. These include an appropriate increase in the purchasing price for grain, cotton, and oil-bearing crops; an increase in capital input in agriculture; and an increase in the supply of chemical fertilizers and other support-agriculture products. This has given impetus to the development of agricultural production. Output of summer grain reached 187.1 billion jin—up 5.1 billion jin from last year—the highest ever recorded in history. The output of early-season rice is expected to reach 95.9 billion jin—up about 1.9 billion jin from last year—bringing an end to the continuous decline in the past few years. The acreage of farmland sown with autumn crops is about 10 million mu more than last year, and there is a possibility that the increase in grain output will exceed that of last year, provided no serious natural disasters occur and work is done well in various fields.

2. Excessive industrial growth has been curbed and no slump has been reported in industrial production. As a result of the measures taken since the beginning of this year to tighten money supply and readjust structure in accordance with industrial policy, the overheated economy has gradually cooled down. In the period from January through July, China's total industrial output value (excluding output value of industries at and below the village level, as in subsequent cases cited herein) increased 10.6 percent, representing a drastic decline compared with the 16.9 percent growth rate for the same period last year. As far as output of major products is concerned, the output of energy increased steadily and the output of principal raw materials climbed back up after a decline to some extent in January and February. According to preliminary estimates, the year's coal output and electricity output will both exceed the projected targets, while the output of steel will generally remain at the same level as last year. The output of industrial products used for agricultural purposes has continued to rise. This year's quotas for the output of chemical fertilizers, pesticides, and plastic sheets are all expected to be met. The output of light and textile industries is also generally expected to meet or surpass the projected target. There has been a faster growth in the output of those light industrial products that are closely connected with the people's daily life, such as sugar, salt, detergents, and matches.

3. The scale of investment in fixed assets has been brought under control. The State Council has paid more



attention to curbing investment and screening projects under construction. It has assigned mandatory targets for the various localities and departments to be met in scaling down their investments, appropriately centralized authority for reviewing and approving applications for new construction projects, ordered nine categories of construction projects to be halted prior to screening, and on three occasions sent inspection teams to various localities to supervise and inspect their efforts in scaling down capital construction. Thanks to the joint efforts of the various localities and departments, a number of projects under construction have been stopped or postponed, and the number of newly started projects has been reduced by a large margin. The trend of continuous growth of investments in recent years has begun to be curbed. In the period from January through July, units under the ownership of all the people made a total investment of 78.6 billion yuan in fixed assets, down 7.9 percent from the corresponding period of last year, representing a reduction of 6.8 billion yuan.

4. The domestic market has been relatively stable, as commodity prices have been falling gradually. Since the beginning of this year, the markets in various localities have been fairly stable, and the supply of such nonstaple foods as vegetables, meat, and eggs has been fairly abundant. The work of screening and straightening out commercial companies is being intensified, which has improved the situation in commodity circulation. From January through July this year, the total amount of retail sales throughout the country was 476 billion yuan, an increase of 16.6 percent over the same period last year. In the first half of this year, prices of retail goods across the country rose 25.5 percent over the same period of last year. The rise in commodity prices in the second half of this year is expected to be lower than that in the first half of this year. Although the rise of commodity prices is still rather high this year, the feeling among the masses is totally different from that of last year. Here are the main reasons: First, the new price hikes in the first half of this year only amounted to 7 percent, which is obviously lower than the scale of the new price rises last year. Second, the supply of nonstaple foods and manufactured daily necessities was fairly abundant. Prices of these commodities were fairly stable and some of them even dropped. According to statistics provided by the State Statistics Bureau, in the first 6 months of this year, the basic cost of living of workers throughout the country rose an average of 1.4 percent over December last year, basically maintaining the level at the end of last year. This has alleviated the feeling of resentment among the masses.

5. Not only have savings deposits increased, but withdrawal of currency from circulation has been accelerated. In September last year, the state introduced a method of value-guaranteed deposits and at the same time raised interest rates for savings deposits. Beginning from 1 February this year, interest rates were further raised, thus bringing about an increase in savings deposits. In the first 7 months of this year, savings deposits in both urban and rural areas rose by 79.4

billion yuan over the end of last year. At the same time, the retrenchment policy has yielded results. At the end of July, after deducting necessary payments, banks were able to recover 4.5 billion yuan of paper currency from circulation, whereas during the same period last year, banks had to put 18.6 billion yuan into circulation. Nevertheless, there are still numerous difficulties facing our financial work. In the next few months, several factors will make it necessary to put more money into circulation. For example, after prices of farm produce are raised, funds are needed for its purchase; it is also necessary to properly increase loans for circulating funds in order to support key construction projects, for the production of enterprises recently put into operation, and for the expansion of exports. The use of circulating funds is still seriously irrational, because loans have not been repaid according to schedule, and some of these funds have been used for other purposes. In short, the amount of currency put into circulation this year will be slightly less than that of last year, but we must not loosen our grip on our work.

6. The plans for exports and the use of foreign capital can basically be fulfilled. In the first few months of this year, exports began to drop due to the lack of funds for purchasing export commodities. Since the beginning of May, the downward trend in exports has turned around thanks to the efforts made by all quarters concerned. According to statistics provided by the Ministry of Foreign Economic Relations and Trade, in the first 7 months of this year, exports amounted to \$23.38 billion, a decrease of 0.6 percent compared with the same period of last year (a decrease of 3.7 percent from January through May); and imports amounted to \$20.7 billion, an increase of 10.7 percent over the same period of last year. In the first 7 months of this year, foreign loans increased by 7.6 percent over the corresponding period of last year. The annual plan for utilizing foreign capital is expected to be fulfilled this year.

#### More on Wang Bingqian Address

OW3108152989 Beijing XINHUA in English  
1451 GMT 31 Aug 89

["Financial Situation Dire: Wang Bingqian"—XINHUA headline]

[Text] Beijing, August 31 (XINHUA)—China is facing a rigorous financial situation now and will enter the peak period of international debt payment next year, State Councillor and Finance Minister Wang Bingqian said here today.

As the socialist principle of adhering to the balance of revenue and expenditure has been neglected in recent years, deficits accumulated, he said. Economic overheating, the total social demand surpassing the total supply, and failure to readjust the economic structure and improve economic returns have resulted in increasing financial deficits.

The finance minister pointed this out in a report on the implementation of the 1989 budget at the Ninth Meeting of the Standing Committee of the Seventh National People's Congress.

He said that enterprises' poor economic returns have held back the growth of state revenues.

Seventy-five percent of China's financial revenues come from state enterprises. However, in the decade from 1978 to 1988, the sales profit rate and sales tax and profit rate of industrial enterprises fell by an average eight percent, of which one percent represents eight billion yuan of financial revenue. The operational rate of fixed assets decreased from 83.7 percent in 1979 to 70.6 percent in 1988; and the ratio between a unit of product and floating funds rose from 18 percent in 1981 to 25 percent in the first half of this year.

On dispersed funds, Wang said that the funds collected by the central government dropped sharply while the proportion obtained by enterprises and individuals rose too fast. As a result, the ratio between financial revenues and national income diminished from 31.9 percent in 1979 to 19.2 percent in 1988.

Moreover, the restructuring of the financial system has increased the financial power of local governments and weakened the central authorities. The financial revenues of the central authorities accounted to 47.2 percent of the national financial revenues, much lower than the 70 percent in the 1950's and the 60 percent in the 1960's.

Wang said that the excessive price subsidies and enterprises' operational loss subsidies have surpassed the government's financial capacity. Since 1979, the state financial departments have had to subsidize price hikes and state enterprises operating at a loss.

In 1988 the state financial departments spent 31.67 billion yuan to subsidize state employees and urban residents for price hikes—representing a 39.8 percent annual increase compared with that in 1978. The state had to spend another 44.65 billion yuan to bail out deficit-ridden enterprises—an annual increase of 33.6 percent since 1979. Both increase rates far exceeded the 8.2 percent growth of the financial revenues in the same period. The two items drained over 80 billion yuan from the state treasury each year.

On excessive growth of financial expenditures, he said that the domestic financial expenditures jumped from 112.2 billion yuan in 1978 to 270.6 billion yuan in 1988, averaging an annual increase of 39.2 percent. The excessive growth of expenditures was attributed to heavy financial burdens, fast personnel increase, abuse of the bonus system, subsidies, and serious extravagance and waste.

Wang said that the financial problems have accumulated for years and they are also inseparable from former party General Secretary Zhao Ziyang's errors in financial decisions.

He said that it is necessary to further correct the economic order, adopt stern measures to solve problems in the production, circulation and distribution fields, improve the financial system and realize a balance of revenue and expenditure step by step.

### Members Discuss Reports

OW0109134589 Beijing XINHUA in English  
1329 GMT 1 Sep 89

[Text] Beijing, September 1 (XINHUA)—People should live austere lives truly and wholeheartedly to help the country out of its present economic troubles, members of the National People's Congress Standing Committee urged here today.

They made the remark when discussing the reports on the execution of the 1989 National Economic and Social Development Plan and the execution of the 1989 state budget by Vice-Premier Yao Yilin and State Councillor Wang Bingqian, respectively.

The two reports are based on facts and truly reflect the problems existing in the country's economic life, members agreed.

An austere life should be listed at the top of the state policies instead of being regarded as a kind of makeshift in the current financial difficulties, said member Wang Houde.

He complained that foreign cigarettes, perfumes, wines, coffee, toys, TV sets and refrigerators have kept pouring into China in the past few years, and said that such wastefulness should be stopped.

A large sum of foreign currency has been wasted in producing luxuries in recent years, member Zhang Chen said. He advocated measures to make sure the country's foreign exchange is used in developing industries such as the energy and transportation sectors.

### Further on Drug Control Pact

OW3108142089 Beijing XINHUA in English  
1337 GMT 31 Aug 89

[Text] Beijing, August 31 (XINHUA)—Chinese Vice-Minister of Public Health Gu Yingqi today urged the Standing Committee of the National People's Congress (NPC) to approve a United Nations convention on drug control.

Commissioned by the State Council, China's highest governing body, Gu made an explanation on the U.N. convention against illicit traffic in narcotic drugs and psychotropic [as received] substances to the ongoing Ninth Meeting of the Standing Committee of the Seventh NPC.

Gu said that drug trafficking has become a serious social problem worldwide, with the illicit activities increasing and combining with terrorism.

The U.N. convention was approved December 19, 1988, and so far 70 countries have signed it.

China was an active drafter and one of the first signers of the convention, as it always stands for strengthening international co-operation in the fight against drug trafficking, Gu said.

He said the contents of the convention are consistent with China's Constitution, and other laws and policies. "Approval of the convention will promote China's co-operation with other countries in the fight against drug trafficking and help China play a greater role in the field," he said.

#### Vice-Minister on MPR Treaty

OW3108141289 Beijing XINHUA in English  
1334 GMT 31 Aug 89

[Text] Beijing, August 31 (XINHUA)—Vice-Foreign Minister Qi Huaiyuan gave an explanation here today of the border treaty between China and the People's Republic of Mongolia to the ongoing National People's Congress Standing Committee meeting.

The treaty was signed by the governments of China and Mongolia in Beijing on November 28, 1988.

Qi said that it was necessary to conclude such a treaty so as to develop the relationship between the two countries and to maintain stability in the border areas.

The treaty, Qi said, was the first of its kind that China has signed with its neighboring countries. It has 21 articles in six chapters. The main contents of the treaty include the alignment of the boundary line between the two countries, joint checks at the boundary, utilization of the waters at the boundary and transportation facilities, production activities at the border and the settlement of border problems.

More important, the treaty establishes an official channel of liaison for settling border issues, namely, the system of border talks and joint border checks.

Qi said that the treaty is in accordance with China's laws and international norms, and is in line with the practical needs of the two countries co-operatively settle border issues. [sentence as received]

#### Agriculture Discussed

OW0109121789 Beijing XINHUA in English  
1152 GMT 1 Sep 89

[Text] Beijing, September 1 (XINHUA)—China's agricultural situation is still facing challenges and there is no room for complacency, senior legislators said here today.

Agricultural production has seen no fundamental changes in its ups and downs in recent years, members of the Standing Committee of the National People's Congress (NPC) said at the committee's ninth meeting.

Despite the fact that the summer grain harvest hit a record, the agricultural situation is not that optimistic, they said when discussing a report given by Vice-Premier Yao Yilin on the execution of the 1989 National Economic and Social Development Plan.

Some rural areas have seen reductions in farmers' enthusiasm for production, quality of agricultural workers, land fertility and ability to combat natural disasters, member Zhang Chen complained.

With an increase of more than 70 million in China's population over the past five years, the amount of grain for each person per year is 30 kg down, member Zhang Gengsheng said.

Measures should be taken as soon as possible to ensure that the annual amount of grain per person hits 400 kg by the end of this century, when the population will rise to 1.25 billion, the member went on.

Yao's report failed to make a clear estimation of the seriousness of the country's agricultural situation, member Yang Ligong said, adding that agriculture is still the weakest link in the whole national economy.

Investment should be increased and modernization stepped up in this sector, he suggested.

Agricultural legislation should also be strengthened, some members urged.

#### Li Peng Presides at 1 Sep State Council Meeting

OW0109135189 Beijing XINHUA in English  
1343 GMT 1 Sep 89

[Text] Beijing, September 1 (XINHUA)—The 47th Executive Meeting of the State Council was held here today.

The meeting, presided over by Premier Li Peng, examined and approved a revised draft law on environmental protection and a regulation on prevention and elimination of noise pollution. The latter will soon be promulgated by the State Council and put into effect nationwide and the revised draft law on environmental protection will be submitted to the Standing Committee of the National People's Congress (NPC) for examination.

The draft environmental protection law (for trial use), adopted at the 11th Session of the Standing Committee of the Fifth NPC in September 1979 proved to be imperfect and unable to match China's economic development to some extent, participants said.

#### Article on Deng's 'Limits' on Zhao Criticism

HK0109094489 Hong Kong CHENG MING in Chinese  
No 143, 1 Sep 89 pp 9-10

[Article by "special" correspondent Kuan Yeh-cheng (7070 2814 2052): "Anti-Yang Sentiments in the Army"]

[Text] Both retired veteran cadres and high-ranking officers at post, particularly those in major military



regions, generally harbor resentment and vigilance against Yang Shangkun, who has taken advantage of the suppression of the students and civilians to expand his influence. They very seldom make personal contact with Yang Shangkun except for official business. At a Military Commission meeting, Yang Shangkun complained that not many officers had reported to him on the situation in the Air Force. An Air Force commander immediately responded by saying: We should not shift everything onto the vice chairman!

#### **Qin Jiwei's Position Is Still Stable**

Foreign reports said that National Defense Minister Qin Jiwei and several military regional commanders had been arrested. This reporter learned from the military that this was not true. But weakness breeds rumors. As the military disclosed, Qin Jiwei et al are thorns in Yang Shangkun's flesh that must be removed. But analysts believe that Qin Jiwei's position is still stable. According to an informed source, first, Qin Jiwei has always followed Deng Xiaoping and remained his trusted general; and second, to pin down Yang Shangkun, Deng Xiaoping will not let others overthrow Qin Jiwei easily. Deng Xiaoping recently said on several occasions: "It is necessary to maintain a high degree of stability in the Armed Forces and unity among high-ranking military officers; no one is allowed to violate this." This also indicates that Qin Jiwei's position should be protected.

Unlike Yang Shangkun, most high-ranking officers and military regional commanders are convinced about Qin Jiwei, a moderate military leader who is well received by officers and soldiers because he has regard for the overall situation, pays attention to principles, and is generous to others.

Evidently, it will not be easy for Yang Shangkun to lay murderous hands on Qin Jiwei.

But the Li-Yang gang has certain freedom to persecute Zhao Ziyang.

Zhao Ziyang still remains in Zhongnanhai and is strictly "protected." An informed source revealed that from mid-July to 15 August, a central investigation team sent by the Li-Yang gang questioned him on 7 occasions. The Li-Yang gang also instigated many high-ranking party, government, and military leaders to expose Zhao Ziyang. Vice Premier Tian Jiyun even exposed six problems concerning Zhao Ziyang when he was in charge of Sichuan. One of the problems was that Zhao Ziyang instructed Tian Jiyun to report less revenue to the central government.

#### **Deng: Three Limits and Two Major Points Must Be Taken Into Account in Criticizing Zhao**

Bo Yibo criticized Zhao Ziyang for his "five consistently's." He has consistently opposed party leadership; framed good comrades in the party; feigned compliance, confused right and wrong, and tried to split the party; he

has consistently yearned for bourgeois liberalization; and he has suppressed different opinions and excluded veteran comrades.

Presided over by Yang Shangkun, the Central Military Commission held a meeting in Beidaihe on 1 August. Apart from further studying Deng Xiaoping's instructions and unifying their understanding, participants at the meeting also exposed and repudiated Zhao Ziyang's crime to usurp military leadership (one of the related facts was his attempt to form a special corps under his personal command).

Deng Xiaoping has explicitly pointed out three limits and two major points to be taken into account in criticizing Zhao Ziyang. The three limits are as follows: Criticism should not involve Zhao Ziyang's history or his problems before his transfer to the Central Committee; problems in the economic field should not be dealt with; and there must be a limit on the number of people to be criticized in connection with Zhao Ziyang. The two major points include the following: 1) Exposition and criticism must focus on Zhao Ziyang's criminal attempt to split the party and his crime of supporting the counterrevolutionary rebellion; and 2) exposition and criticism must focus on his crime of slackening the party's ideological and political work and allowing the spread of bourgeois liberalization.

Some people said that Deng Xiaoping's "three limits and two major points" are aimed at preventing the flames from burning himself. In other words, he will prevent others from criticizing him for the mistake of using Zhao Ziyang. But Yang Shangkun harbors resentment against this, because he wants to unleash an overall criticism on Zhao Ziyang. He has been so cruel to the students, so how could he be softhearted toward his political enemy?"

#### **CHENG MING Views Deng-Yang Rift**

*HK0109060089 Hong Kong CHENG MING in Chinese No 143, 1 Sep 89 pp 6-7*

["Notes on the Northern Journey" by Lo Ping (5012 0393): "The Contradiction Between Deng Xiaoping and Yang Shangkun Escalates—Deng Sees Through Yang's Plot To Usurp Military Power"]

[Text] The contradiction between Deng Xiaoping and Yang Shangkun has been gaining new momentum recently. Yang Shangkun slandered some veteran People's Liberation Army [PLA] generals in an effort to purge some of Deng Xiaoping's close followers and isolate Deng Xiaoping from the PLA hierarchy. However, Deng Xiaoping has seen through Yang Shangkun's plot....

#### **The Three-Man Clique Is Not a Piece of Plywood**

Since the "4 June incident," all the world's dictionaries have gained a new phrase: The Deng-Li-Yang clique.

In carrying out the bloody suppression of Beijing students and citizens, Deng Xiaoping, Li Peng, and Yang Shangkun collaborated with and supported each another.

Although some of their views and measures in "opposing bourgeois liberalization" may differ, Deng Xiaoping, Li Peng, and Yang Shangkun still collaborate with and support one another.

However, this does not mean that the Deng-Li-Yang clique is a piece of plywood. Recently, the contradictions and struggle between the three men have been brought to light.

Contradictions between Deng Xiaoping and Yang Shangkun have rapidly gained new momentum, and recent developments show the Deng-Li-Yang clique is not an invincible political alliance.

**Yang Shangkun Criticized Veteran PLA Generals Yang Dezhi and Zhang Aiping, Who Later Complained to Deng Xiaoping**

The experienced and cunning Deng Xiaoping has always been on guard against Yang Shangkun, whose influence has expanded since the Beijing massacre. Between the end of July and mid-August, Deng Xiaoping twice vetoed Yang Shangkun's proposals.

At an official meeting of the Central Military Commission prior to the "1 August Army Day," Yang Shangkun criticized Yang Dezhi, Zhang Aiping, and some other veteran PLA generals for "not strictly adhering to the party spirit" and "developing rightist deviationist thinking" during the struggle to suppress the "counterrevolutionary rebellion in Beijing." Yang Shangkun said: "We should demand that our senior officers who have already taken off their Army uniforms maintain their ideological integrity and heighten their vigilance against the enemy. Otherwise they might do things which sadden our people and gladden our enemy, as some veteran comrades did during the recent incident."

Yang Shangkun's criticism evoked strong resentment among a large number of veteran PLA generals. After the "1 August Army Day," Yang Dezhi and Zhang Aiping went to Beidaihe and complained about Yang Shangkun's remarks to Deng Xiaoping, who is still chairman of the Central Military Commission. Marshal Nie Rongzhen wrote to and telephoned Deng Xiaoping, giving his views. In his letter, Marshal Nie Rongzhen said: In the drive to modernize the PLA, these veteran comrades are still the backbone.

**Deng Xiaoping Ordered Yang Shangkun's Remarks Deleted From a Central Military Commission Document**

Deng Xiaoping invited Yang Dezhi and Zhang Aiping to a banquet at his home in Beidaihe and personally entertained them. Deng Xiaoping did not criticize either one of them in Beidaihe. Instead, he asked the two veteran PLA generals to show more concern for PLA building.

When Yang Dezhi and Zhang Aiping complained about Yang Shangkun's remarks at the official Central Military Commission meeting, Deng Xiaoping asked them: "Did Yang Shangkun really say that? That was just his personal view. I agree that Yang Shangkun's remarks should be deleted from the Central Military Commission document." In accordance with this important instruction by Deng Xiaoping, the document of the official Central Military Commission meeting prior to "1 August Army Day" was reworded, and Yang Shangkun's remarks were deleted. As a result, the document was distributed to senior PLA officers 1 week later than usual. This was indeed a major setback for Yang Shangkun.

**Yang Shangkun Suggested Only Jiang Zemin, Li Peng, and Yang Shangkun Be Allowed To Visit Deng Xiaoping in the Future**

Another major setback for Yang Shangkun is that a resolution adopted by the CPC Central Committee Political Bureau on Yang Shangkun's proposal was vetoed by Deng Xiaoping.

Currently, Deng Xiaoping is still recuperating in Beidaihe. Although he is not seriously ill, as some Japanese newspapers have reported, Deng Xiaoping is old and has not been in good health recently. Some central leaders explained in restricted circles that Deng Xiaoping has not been in good health because he worked too hard a few months ago. At the end of July, at a CPC Central Committee Political Bureau meeting, Jiang Zemin solemnly stated that all CPC Central Committee Political Bureau Standing Committee members should be responsible for Deng Xiaoping's health; the CPC Central Committee Political Bureau should be responsible for Deng Xiaoping's health; and the whole party should be responsible for Deng Xiaoping's health. Under the pretext that Deng Xiaoping's health must be protected and that "Comrade Xiaoping should be given minimal disturbance," Yang Shangkun suggested at a CPC Central Committee Political Bureau meeting that in the future, only Jiang Zemin, Li Peng, and Yang Shangkun should be allowed to visit Deng Xiaoping. This motion was unanimously adopted by the CPC Central Committee Political Bureau.

**Yang Shangkun Tried To Give the Impression That He Wanted To Protect Deng Xiaoping's Health**

After the meeting, Jiang Zemin, Li Peng, and Yang Shangkun went to Beidaihe to see Deng Xiaoping and reported the aforementioned decision to Deng Xiaoping. Yang Shangkun and Jiang Zemin personally summoned the commanders of the guards regiments and the responsible persons from Hebei Province, the Hebei Provincial Public Security Department, and Qinhuangdao City to Deng Xiaoping's residence and ordered them to take full responsibility for Deng Xiaoping's health. Yang Shangkun even pointed out in a very serious manner that they should make 100 percent sure that nothing goes wrong with Deng Xiaoping's health and that they should

protect Deng Xiaoping's health with their own party membership and their own lives!

#### **Deng Xiaoping Vetoed Another Yang Shangkun Proposal**

After hearing of the decision made by the CPC Central Committee Political Bureau, Deng Xiaoping immediately "expressed his thanks to all the members of the CPC Central Committee Political Bureau." However, later on, Deng Xiaoping vetoed the decision, which had been made according to Yang Shangkun's proposal, in front of Jiang Zemin, Yang Shangkun, and Li Peng. Deng Xiaoping made the following remarks (the main contents of which are): I don't want to isolate myself. You should not create conditions to isolate me. Comrade Mao Zedong made mistakes in his later years because he had only one liaison man, Mao Yuanxin. In Comrade Mao Zedong's later years, even the members of the CPC Central Committee Political Bureau Standing Committee were not allowed to visit him! Deng Xiaoping added that all major decisions should of course be made by the CPC Central Committee Political Bureau Standing Committee under the leadership of Comrade Jiang Zemin. If my assistance is needed on certain occasions I will certainly give my views. Even after I retire from my present position as chairman of the Central Military Commission, I will still remain a CPC member!

#### **Yang Shangkun Privately Transferred Troops to Beidaihe, but Deng Xiaoping Ordered the Troops Away**

While suggesting that restrictions be placed on meetings between Deng Xiaoping and other senior Chinese leaders, under the pretext of protecting Deng Xiaoping's safety, Yang Shangkun privately transferred a reinforced regiment from Zhangjiakou and deployed it around Beidaihe. The responsible persons from the CPC Central Committee General Office and the Central Military Commission Security Bureau reported Yang Shangkun's decision to Deng Xiaoping. Deng Xiaoping immediately gave an order: "The troops should go back. I don't want to see money and manpower wasted because of me!" As a result, the reinforced regiment stayed only 5 days in Beidaihe before returning to Zhangjiakou.

#### **The Escalation in Contradiction Between Deng Xiaoping and Yang Shangkun Is Now Widely Known Within the PLA Hierarchy**

Later, Deng Xiaoping gave the following instruction to Jiang Zemin and the CPC Central Committee General Office: Security work here in Beidaihe should depend on local party, government, and military departments, as well as local public security departments. Troops should not be transferred without authorization!

The important instructions given by Deng Xiaoping spread very rapidly within the PLA hierarchy. It has also been learned within the PLA hierarchy that Deng Xiaoping has twice secretly called in the responsible persons from the Central Military Commission Security Bureau and the Ministry of State Security at Beidaihe.

The contents of Deng Xiaoping's talks with these leaders remain highly confidential to this day.

According to an analysts, Deng Xiaoping's talks with these leaders might be aimed at Yang Shangkun.

#### **Yang Shangkun Tried To Isolate Deng Xiaoping From His Supporters, Eliminate His Supporters, Turn Him into a Mere Figurehead, Hold Him under Duress, and Usurp Military Power**

Analysts believe that Yang Shangkun's two proposals and his order to transfer troops to Beidaihe to "serve the emperor" are aimed at:

1. Isolating Deng Xiaoping from his supporters and eliminating them. The basis of Deng Xiaoping's power is in the presence of a large number of veteran middle-ranking and senior PLA generals who are loyal to him. The purpose of attacking Yang Dezhi, Zhang Aiping, and other veteran PLA generals was undoubtedly to eliminate Deng Xiaoping's supporters.
2. Making Deng Xiaoping a mere figurehead. Under the pretext of protecting Deng Xiaoping's health and safety, Yang Shangkun tried to isolate Deng Xiaoping from his supporters and ban all direct contact between Deng Xiaoping and other senior Chinese leaders in an effort to make Deng Xiaoping ill-informed and ineffective in exercising his command over the PLA.
3. Holding Deng Xiaoping under duress and grabbing more of his power. Yang Shangkun thought that after placing Deng Xiaoping in a closed cabin, he would be able to freely issue orders in Deng Xiaoping's name.
4. Usurping military power. Although both Deng Xiaoping and Yang Shangkun are already over 80 years old, Yang Shangkun is physically stronger and healthier than Deng Xiaoping. Therefore, he is trying to make every possible preparation aimed at usurping military power once Deng Xiaoping dies. Yang Shangkun's biggest goal is to become chairman of the Central Military Commission.

It appears that these analyses can be used for reference.

#### **Deng Xiaoping Has Begun To Suspect Yang Shangkun and Plans To Reduce His Power**

Nonetheless, Deng Xiaoping has seen through Yang Shangkun's intentions and has begun to suspect him. Deng Xiaoping still plans to appoint Jiang Zemin as first vice chairman of the Central Military Commission. Moreover, it has been learned within the PLA hierarchy that Deng Xiaoping plans to change the current leadership structure of the Central Military Commission and establish the system of a Central Military Commission General Conference under the leadership of the chairman and the first vice chairman of the Central Military Commission. Participants in the Central Military Commission General Conference will also include the secretary general and the



deputy secretary general of the Central Military Commission, the commanders of all military regions, and representatives of veteran PLA cadres. The Central Military Commission General Conference will always be chaired by a leader from the Central Military Commission. It will be the responsibility of the permanent vice chairman of the Central Military Commission to call the Central Military Commission General Conference and assist the chairman and the first vice chairman of the Central Military Commission in their work. If Deng Xiaoping's plan can be realized, Yang Shangkun's power will certainly be greatly reduced.

### Two Deng Books Stress Reform Themes

OW3i08191489 Beijing XINHUA in English  
1509 GMT 31 Aug 89

[Text] Beijing, August 31 (XINHUA)—Two more books by Chinese leader Deng Xiaoping have been published and distributed throughout China.

"Deng Xiaoping on Adherence to the Four Cardinal Principles and the Fight Against Bourgeois Liberalization" and "Deng Xiaoping on Reform and Opening to the Outside World" altogether contain over 50 articles, mainly important speeches and talks by Deng since the Third Plenum of the 11th Central Committee of the Communist Party of China in 1978.

The Propaganda Department of the CPC Central Committee issued a circular recently calling on officials and ordinary people to study these two books.

The books have also been published in the Mongolian, Tibetan, Uygur, Kazak and Korean languages for China's ethnic minorities.

### Article Recounts Zhao's Move To Control Troops

HK0109094189 Hong Kong CHENG MING in Chinese  
No 143, 1 Sep 89 pp 10-11

["Notes on the Northern Journey" by Lo Ping (5012 0393): "A Document of the Central Military Commission Criticizes Zhao for Trying To Possess an Army at His Own Disposal"]

[Text] A document criticizing Zhao has been distributed at the army level. Last summer, Zhao proposed the establishment of a 300,000-man special army unit, which would be under the command of the general secretary. But it was voted down by the Political Bureau Standing Committee. Li Peng stressed that the government would not increase military spending, and Yang Shangkun asked whether Zhao intended to "separate the three kinds of power inside the Army."

### Exposing Zhao's "Crimes" as "Profoundly as Possible"

In early August, Yang Shangkun, Li Peng, and Wang Zhen went together to Beidaihe to meet with Deng Xiaoping. They suggested that the case of counterrevolutionary be thoroughly investigated and handled, and

that Zhao Ziyang's crimes be exposed as profoundly and thoroughly as possible. They stressed that they would not be soft on him.

When the highest leadership stratum of the CPC was exposing and criticizing Zhao Ziyang's crimes of supporting the counterrevolutionary rebellion and splitting the party, the Central Military Commission Standing Committee issued a document, exposing Zhao Ziyang's new crime of trying to snatch military power from the party during the Beidaihe meeting last year.

According to the document, before the convening of the meeting, Zhao Ziyang suggested to Deng Xiaoping that apart from the People's Liberation Army (PLA) and Armed Police Force, a special unit should also be established. While making an analysis, Zhao said: The PLA, which is the armed forces of the state, is used to guard against foreign aggressors, and the Armed Police Force is used to maintain social order. But the newly established "special unit" is used to deal with a massive political turmoil which might occur inside China. According to Zhao Ziyang's suggestion, the unit would be composed of 300,000 to 500,000 cadres and fighters, and would be under the direct command of the party general secretary.

### Zhao Was Regarded as Committing Crimes Because He Made Speeches While Inspecting the PLA Units Under the Fuzhou Command

At that time, Deng Xiaoping did not make his position known. He only said that the matter must first be discussed by the Political Bureau.

At the Beidaihe meeting last year, Zhao Ziyang submitted a highly confidential motion (which was "top secret"). Li Peng was the first to oppose the motion. Li Peng said that the government could not increase military spending. Zhao Ziyang retorted: Since members of the "special unit" would come from the PLA troops, there would be no need to increase military spending. Yang Shangkun also rejected the motion on the grounds that the unit was directly under the command of the party general secretary. He asked: Does this not mean separation of the three kinds of power inside the Army? He added: We have chairman of the CPC Military Commission, and chairman of the State Military Commission. If there is another special unit directly under the command of the party general secretary, will everything not be muddled? The final decision was made by Deng Xiaoping: "We had better suspend it." Zhao's suggestion was thus rejected by the Political Bureau Standing Committee.

After the Beidaihe meeting last year, those political old-timers were increasingly disgusted with Zhao Ziyang because of his suggestion on establishing the "special unit." After National Day last year, in accordance with the instructions issued by Deng Xiaoping, the Central Military Commission told various military regions and arms of services that the chairman of the Central Military Commission is the highest command of the whole Army, and that the work of the Central Military Commission is

presided over by its chairman, or its executive vice chairman. This statement actually made Zhao Ziyang, the first vice chairman of the Central Military Commission, a mere figurehead. This showed that Deng Xiaoping and people in the highest military leadership stratum were already on their guard against Zhao Ziyang.

There was another charge against Zhao Ziyang. Earlier this year, Zhao Ziyang inspected the PLA troops under the Fuzhou Command and the Fujian frontline troops in his capacity as first vice chairman of the Central Military Commission. In the course of the inspection, he disregarded the arrangements made in advance, and, in Fuzhou, met leading cadres of the Fujian frontline troops at and above the army level, without the presence of other comrades of the Central Military Commission. He said privately that to show the PRC's sincerity of improving relations with the Taiwan authorities, the frontline troops could retreat. He also suggested that peaceful competition between the two sides of Taiwan Strait be accelerated. Because of this, he was accused of trying to increase his own prestige, and of spreading a false sense of peace and security with the aim of sapping the morale of the PLA.

#### **Blaming Zhao for Interfering With Deng's Instructions on Guided Missile Units**

Finally, Zhao Ziyang was blamed for interfering with an instruction by Deng to the military. Sources said that in the first half of February, with no study or discussion by the Central Military Commission, and without reporting to Deng Xiaoping in advance, Zhao called on the leaders of guided missile and air defense forces and listened to their reports. In listening to the reports, sources said Zhao Ziyang made some comments, saying that since Sino-Soviet relations are in the process of reconciliation, and relations between the two shores of the Taiwan Strait are also easing, the future direction at which the missiles are aimed is a new strategic topic confronting us, and so on. These statements are now considered as "interfering with the spirit of Comrade Deng Xiaoping's instructions to the guided missile and air defense forces." This is another new charge laid against Zhao Ziyang.

The conservative force, now on the rise again, in exposing and criticizing Zhao Ziyang, have also continuously criticized Hu Yaobang, publicly and by name.

On August 5, Li Ruihuan, Political Bureau Standing Committee member, in a speech to the responsible persons of the Central Propaganda Department and XINHUA Agency, conveyed the central idea of Deng Xiaoping's statements concerning Hu Yaobang: Zhao Ziyang's problems are more serious than Hu Yaobang's; on specific issues, do not involve Hu Yaobang. "Hu Yaobang did not oppose bourgeois liberalization dutifully enough, whereas Zhao Ziyang was engaged in splitting. He supported the counterrevolutionary rebellion, and attempted to turn the fundamental direction of the country in concert with counterrevolutionary hostile forces within and outside the country, surrendering the

country to capitalism!" Therefore, the central authorities demanded the concentration of all firepower on exposing and criticizing Zhao Ziyang's problems.

#### **Article Criticizes Zhao's 4 May Speech**

*HK3108115489 Beijing RENMIN RIBAO in Chinese 31 Aug 89 p 2*

[Article by Yin Zhu of Qinghua University: "An Undeniable Fact—the Effect of Comrade Zhao's '4 May' Speech as Viewed From The Development of the Situation at Qinghua University"]

[Text] With great historical significance, the 4th Plenary Session of the 13th Central Committee has revealed the grave mistakes of Comrade Zhao Ziyang in splitting the party in the anti-party, anti-socialist riot. Zhao's 4 May speech delivered to the representatives from various countries of the "Asian Development Bank" [ADB], emitted an entirely different voice from the central position and principle and openly exposed to the world the internal differences of the central authorities. Thus, his speech became a turning point in the escalation and aggravation of the turmoil.

At around 2300, 4 May, RENMIN RIBAO and ZHONGGUO QINGNIAN BAO each sent two of their reporters to the Qinghua campus to cover the repercussions of Zhao's speech on the university leadership, teachers, and students.

On the following day, namely 5 May, RENMIN RIBAO and ZHONGGUO QINGNIAN BAO each carried on their front pages Comrade Zhao Ziyang's 4 May speech and their coverage. RENMIN RIBAO carried a report with the headline, "Teachers and Students of Beijing's Institutes of Tertiary Education Acclaim Comrade Zhao Ziyang's Speech," while the ZHONGGUO QINGNIAN BAO headline read "Zhao Ziyang's Speech Well Received Far and Wide." The 6 May issue of RENMIN RIBAO continued carrying on its front page the positive repercussions of his speech with the banner headline, "Classes Began to Resume on Campuses in Beijing Yesterday; Zhao's Speech Arouses Positive Repercussions," and quoted from a student's statement, saying: "Zhao's speech has made me think twice about the strike." The practice of linking Zhao's speech to students resuming classes created an impression that the speech was the "cause," and resuming classes the "effect." Under the headline, "The Party's, People's and Students' Feelings," ZHONGGUO QINGNIAN BAO carried, on the very same day, its reporters' interviews with social celebrities and scholars, including Hu Jiwei, Yan Jiaqi, and Cao Siyuan, who talked about their "impressions" of Zhao Ziyang's speech. They were "all for it," and felt "happy" about it. They believed that the speech in question was "a great progress in handling students' demonstrations," it "reflected the party's correct attitude in handling this issue," and "this shows the reason, maturity and confidence of our party, and its leading members." In short, it was all praise in the press at that time.

However, many cadres, party members, teachers and staff of institutes of tertiary education had diametrically opposed the assessment of the press' propaganda with regards to Comrade Zhao Ziyang's 4 May speech. On the very evening of 4 May, when the TV station broadcast that speech, many comrades on the Qinghua campus immediately sensed that: "The central tone has changed!" Promptly, the cadres doing ideological work among the students as well as activists among teachers and students were at a loss, and felt a tremendous invisible pressure. With indignation, many comrades said: "The general secretary is playing the role of a fine person up there, while we are made to be offensive down here," "his very speech has betrayed the Beijing municipal party committee, the university party committee, and us!" Some comrades demanded the university party committee reflect their situation to the above: "Now that there are two voices from the central authorities, whose voice should we listen to? With which central leader should we keep in unanimity?" Heartbroken, some comrades said: For us people who do work at the grass roots, what we are most afraid of is the constant changes of tone from above. That will inevitably put us in a very awkward position. Now this has happened, how are we to continue our work! Regretfully, Comrade Zhao Ziyang simply would not listen to such voices.

Practice is the sole criterion for testing truth. What was the effect of Comrade Zhao Ziyang's "4 May" speech? That can only be answered by facts. The 30 June report delivered by Comrade Chen Xitong, "On the Conditions of Halting the Turmoil and Quelling the Counterrevolutionary Rebellion" has convincingly demonstrated that Comrade Zhao Ziyang's "4 May" speech was the turning point in the turmoil's escalation with undeniable facts. That was also true with the situation at Qinghua University.

The publication of RENMIN RIBAO's 26 April editorial, "It Is Imperative To Oppose Turmoil With a Clear-Cut Stand" enabled cadres to have a clear picture of the nature of the recent unrest, with their work direction clarified, while it was also a head-on blow at the organizers and plotters of the turmoil, forcing them to change their strategy and slogans. In the wake of the 27 April grand parade, the student unrest and turmoil cooled down markedly. At that time, the illegal organization on Qinghua campus, the "Preparatory Committee" of the students federation made an announcement of its disbandment, and its leaders resigned one after another. Some of them even admitted their mistakes to the university authorities. Many students participating in the students unrest at first failed to understand the nature of the turmoil as determined in the editorial, and their sentiments were rather intense for a time, then they gradually quieted down through work of all aspects. Some students thought that they should not go on like that any longer, while the number of students demanding classes increased. On 27 April, some 2,000 Qinghua University students took to the streets in demonstration, but on 4 May, the number of demonstrators dropped to below 1,000. There was a spring break between 1 and 4

May as usual. On 5 May, school resumed on the campus after some preparations, and the attendance rate on the first day was over 85 percent. In a week since school resumed, between 80 and 90 percent of full-time students persisted in class attendance, most postgraduates also attended classes, graduate designs of full-time students and graduation papers of postgraduates were again under way. At that time, many cadres and teachers on the campus thought that the students' mood was back to normal, and the situation relaxed. The state of affairs might be pacified with a little more effort.

However, Comrade Zhao Ziyang's "4 May" speech caused serious confusion in the minds of cadres and masses with the press' propaganda in full swing. The organizers and plotters of the turmoil were inspired, for they saw "changes" and hopes; thus, they stepped up plans and arrangements to escalate the turmoil. On the very evening of 4 May, the ringleaders of the "autonomous federations" of Beijing University and Beijing Teachers' University again declared a strike. On 9 May, news spread from Beijing Teachers' University that a "hunger strike" would be launched soon. In the evening, some 200 Beijing University students went to Qinghua University to instigate a strike, and demanded Qinghua University students to take to the streets the following day in support of journalists taking to the streets. Now some of the ringleaders of Qinghua University "Preparatory Committee" who had already "resigned" became active again, and accelerated their secret ties with "Beijing College Students' Federation." On the morning of 10 May, a backbone member of "Beijing College Students' Federation" from Qinghua University distributed some 200 T-shirts to students on the campus, as tokens of demonstrators organized by "Beijing College Students' Federation." Some students who had thought they could be in the wrong, now believed that the general secretary was on their side, and they had been innocent. The cadres and teachers were landed in a dilemma because of Comrade Zhao Ziyang's speech. They found it impossible to conduct their work actively with a clear-cut stand. On 13 May, the state of affairs developed in a malignant direction, while the turmoil escalated and was aggravated. The situation of large-scale hunger strike went out of hand in Tiananmen Square, and eventually developed into a counterrevolutionary rebellion. Qinghua University has also paid heavily for it.

From the above-mentioned facts and brief analysis, we may form a clear picture that Comrade Zhao Ziyang's "4 May" speech was actually a turning point in worsening the situation and in escalating the turmoil in Beijing and at Qinghua University as well. It played a notorious role in supporting the enemy, bewildering the masses, suppressing cadres, and splitting the central authorities. That was precisely the objective effect of the "4 May" speech, and is undeniable at that.



**Song Ping Meets Beijing University Leaders***OW0109075589 Beijing XINHUA in English  
0734 GMT 1 Sep 89*

["Party Construction Vital at Institutions of Higher Learning: Song Ping"—XINHUA headline]

[Text] Beijing, September 1 (XINHUA)—A senior Chinese Communist Party leader reiterated the importance of party construction at institutions of higher learning during his recent meeting with party secretaries and presidents of Beijing-based colleges and universities, the "PEOPLE'S DAILY" reported today.

Song Ping, a member of the Standing Committee of the Political Bureau of the Chinese Communist Party (CPC) Central Committee, said that it is high time for party organizations at institutions of higher learning to strengthen their own construction.

He said that one of the tasks for party construction is to resolutely eliminate corruption and foster a fine work style in order to win the trust of the people.

"On this question, we should have a sense of urgency and crisis," noted Song, also the head of Organization Department of the CPC Central Committee.

The fundamental task of the institutions of higher learning, he said, is to train successors to the cause of socialism with socialist consciousness and with scientific and cultural knowledge.

Song urged teachers and educators to instruct their students to support the leadership of the Communist Party and take the socialist road in addition to teaching them professional knowledge.

He warned, "Antagonistic forces and those who stubbornly cling to bourgeois liberal values are doing their utmost to win the younger generation away from us."

"Therefore, we should never lower our guard and should keep a clear head. Our colleges and universities must never train our own 'gravediggers'," Song said.

Party organizations should pay due attention to ideological and political work among teachers and students.

"They should be confident in doing ideological work and speak with perfect assurance," Song stressed.

**Education Vice Minister Makes Televised Speech***OW0109123689 Beijing XINHUA in English  
1209 GMT 1 Sep 89*

[Text] Beijing, September 1 (XINHUA)—A television speech was made to the whole country this afternoon by Liu Bin, vice-minister of the State Education Commission, on the occasion of the opening of the new school term today.

This semester differs from the past ones, for it begins after the curbing of an upheaval and quenching of a

counterrevolutionary rebellion. "Our schools are socialist schools led by the Chinese Communist Party, and we should persevere in fostering qualified personnel who adhere to the socialist way," said Liu Bin.

He called for middle and primary schools to further correct educational ideas; adhere to the way of serving the socialist modernizations; implement the guideline of enabling students to develop morally, intellectually, physically and esthetically; and continue efforts to switch attention from urging students to enter higher schools to laying the foundations for fostering civilians of higher quality.

Liu demanded that schools in different areas teach students to love the Chinese Communist Party, the socialist motherland and the People's Liberation Army.

Liu said the fact that so many students were involved in the riots is a grave lesson which tells the people that "adhering to correct political orientation is of paramount importance for school work."

"International capitalist forces have never dropped the idea of destroying us, and we must keep our vigilance," he said.

He also demanded that middle and primary schools step up education about the dignity of labor, which can "enable students to shape a proletarian outlook on life and the world," and is also a means of "fostering new-type socialist people who do not deviate from politics and the masses."

At the end of his speech he called for institutions nationwide to further implement compulsory education and prevent students from dropping out of school.

**Wang Renzhi Speaks on Propaganda Work***HK3108094489 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1600 GMT 28 Aug 89*

[Report: "Wang Renzhi Talks Again About Propaganda Work"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 28 Aug (ZHONGGUO XINWEN SHE)—Wang Renzhi, director of the CPC Central Propaganda Department, recently made an inspection of Nei Mongol, where he once again talked about the political orientation of the propaganda work.

He said: At present, the propaganda institutions and the ideological front are facing arduous tasks and should fulfill their tasks in light of the party central leadership's circular on strengthening propaganda and ideological work. Though the turmoil and revolt have now been quelled, some people still have various confused ideas, so a great deal of painstaking work has to be done. This should be soberly noticed. The ideological problems revealed in the course of the turmoil and revolt were the results of the rampant spread of bourgeois liberalization.

Therefore, it is necessary to clear away the vile consequences of bourgeois liberalization which found expression in the turmoil and the revolt so that people will believe that only the Communist Party can lead us to build a powerful, wealthy, civilized, and democratic socialist China, and that various ideological problems can be solved more and more deeply. We should not neglect the great significance of helping the masses correctly understand the nature of the recent incident and realize the correctness of the central decisions. If this issue is solved, many other issues will also be easily solved. Therefore, people's thinking about the turmoil and revolt should be brought into line with the spirit of the fourth plenum of the party Central Committee and Comrade Xiaoping's speech. This is a task that has a major influence on our future work.

Wang Renzhi stressed: If problems appear in the fields of news coverage, theory, literature, and art, the grass-roots units will be affected. So the general environment and climate must be set aright. Journalist and propaganda institutions should provide healthy cultural products for the people and for society. At the same time, it is also necessary to ensure party construction and ideological-political work in grass-roots units. If the party organization in every grass-roots unit is built into a strong fighting bastion and acts effectively as a leadership core, and if all party members can play a vanguard and exemplary role, then we will be able to surmount all difficulties. As a leading department, we should mainly improve the general environment. At the same time, we should also improve the work in every factory, institution, school, and other grass-roots units so that the problems in the minds of the people can be solved one after another.

Wang Renzhi pointed out: We must continue to maintain the principle of uniting and relying on intellectuals and bringing their role into full play. We should believe that most intellectuals support the party and socialism. Only a very small number of people stubbornly stick to the position of bourgeois liberalization. Some intellectuals were once influenced by the trend of bourgeois liberalization and by some erroneous theories. They will be able to free themselves from the influence of the wrong ideas through the party's reeducation and their own rethinking. We believe that the vast majority of intellectuals will continue to play a major role in the process of realizing the four modernizations and building socialism with Chinese characteristics.

Wang Renzhi said: However, we must never show leniency toward those who stubbornly stick to the position of bourgeois liberalization, and those who conspired against the party and the state. Leniency toward them not only violates the interests of the party and the people, but impairs the interests of most intellectuals as well. We should firmly carry out the party's policy of uniting and relying on intellectuals. Some people who engineered the turmoil and revolt behind the scenes and conducted agitation openly among the masses played a

very bad role in the incident. They absolutely did not represent China's intellectuals, but were just the scum of the intelligentsia.

#### Wang Fang Addresses Explosives Conference

OW3108225289 Beijing Domestic Service in Mandarin  
2130 GMT 30 Aug 89

[Text] Seven ministries and bureaus of the State Council held a telephone conference on the evening of 30 August, calling for improving the control of explosives. State Councillor Wang Fang pointed out during the conference that public security organs at all levels should seriously inspect and supervise the control of explosives. Cases of explosions must be thoroughly investigated. Judicial organs must punish harshly, according to the law, any criminals who illegally make, buy, sell, transport, or steal explosives.

#### Comparison: LIAOWANG Attacks Wuer Kaixi

HK3108065789

Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 35, published on 28 August, carries on pages 9-10 a 2,200-character article by Wei Gu, entitled "What Role is Wuer Kaixi Playing in the United States?" This version has been compared with the Beijing XINHUA Domestic Service Chinese version published in the National Affairs section of 28 August China DAILY REPORT, pages 22 and 23, revealing the following variations:

Page 22, column one, graf one, line one reads...[Text] Wuer Kaixi, a ringleader of...[deleting introductory graf]

Same page, column two, subhead reads...the hands of politicians... [new paragraph] Beginning...[deleting "Western"]

Same column, first full paragraph, last line reads...hours a day. Even when he was "delivering a speech" at a hearing of the ad hoc panel on human rights at the congress, a place which has always been regarded as being heavily guarded, a security guard was sitting behind him. Has the security ability of this superpower not been held up to mockery if such an arrangement was not made to serve other purposes? [new paragraph] Some reactionary forces...[adding sentences]

Same column, second full paragraph, line five, reads...Center of the LIEN HO PAO [5114 0678 1032] group, various Overseas...[providing STC's]

Same paragraph, line fourteen reads...television interview, and SHIH CHIEH JIH PAO [0013 3954 2480 1032], the mouthpiece of...[providing STC's]

Same page, same column, last paragraph, line seven reads...and so on... Wuer Kaixi, a young and inexperienced buffoon, was wild with joy and kept smiling from ear to ear. Witnessing all these...[adding sentence]

Page 23, column one, paragraph one, line seven reads...those Chinese students from China's mainland who had been...[adding words]

Same paragraph, line eight reads...to "welcome" him. According to a report by Fu Yi-chieh, a reporter of the LIEN HO PAO group who was "entrusted with special missions," this doctor, who claimed to be "quite familiar" with students from China's mainland there, "offered" to drive Wuer Kaixi and three other people (Liu Yan, Su Wei, and Xin Ku, who turned traitors and fled China) to dine at his home. "Since the car could only carry four people, other students did not go. At the doctor's home, Wuer Kaixi met Zheng Hsin-hsiung and had a group photo taken to mark the occasion." In another report made on the same day, this "well-informed" reporter disclosed that the "doctor" was Wu...[adding sentences]

Same paragraph, last line reads...China Democratic Movement." This Taiwan "businessman" residing in the United States, who was formerly a surgeon, recently expressed his intention to run for the post of an overseas member of Taiwan's Legislative Yuan. [new paragraph] The news about...[adding sentence]

Same column, paragraph two, line two reads...soon spread among organizations of Chinese Students from China's mainland and among other Chinese Students in the United...[changing wording]

Same column, paragraph three, line one reads...as a fact. People cannot help asking: Since Wuer Kaixi came to the United States at the "invitation" of the so-called organizations of students from China's mainland, why did he not go to the reception office of these organizations instead of gladly allowing himself to be taken away by a person whom he clearly knew was a Kuomintang (KMT) leader of Overseas Chinese organizations? Why did he not go to meet "responsible persons" of organizations of Chinese Students in the United States instead of meeting an important figure of the KMT? As everybody knows...[adding sentences]

Same paragraph, line six reads...the Chinese students from China's mainland that Taiwan would...[adding words]

Same paragraph, line seven reads...their "democratic movement." At a news conference, he announced that Taiwan had donated 6 million dollars [currency not mentioned] to students from China's mainland. He did not mince matters, saying: Since the Tiananmen incident, "the KMT has done a lot of work, although it is not good at publicizing it." It appeared that "the said meeting" was meant to remain unknown to the public, but the situation became very embarrassing when news about the meeting was unexpectedly disclosed. [new paragraph] Ignorant and Presumptuous...[adding sentences]

Same column, last paragraph, line one reads...Beijing Teachers University, who knew that Wuer Kaixi was an

incompetent student failing his examinations in three courses, and even some foreigners...[changing wording]

Same page, column one, first partial paragraph, line two reads...of Chinese students from China's mainland." In another feature article, the newspaper also disclosed that "many Chinese students in the United States do not show respect for Wuer Kaixi." [new paragraph] He especially showed his ignorance and arrogance and became a laughing...[adding sentence and words]

Same column, first full paragraph, line seven reads...long-term U.S. interests. He also said something which others dared not say. When he talked...[adding sentence]

Same paragraph, line sixteen reads..."nonsense" and "bullshit." He also said Dr Kissinger "is already old." Wuer Kaixi was unable to come up with any convincing argument to show that what Dr Kissinger had said was wrong, but he still said he wanted to have a debate with him. He indeed had an exaggerated opinion of his abilities. A visiting scholar...[adding sentences]

Same paragraph, line twenty reads...and hurl abuses." Such a 'leader of the student movement' is only an inexperienced child in the eyes of Dr Kissinger. How can he be qualified for a debate?" Some people also compared him to a wild bamboo shoot in the mountains which has a sharp mouth, thick skin, and an empty belly. [new paragraph]

While lauding Wuer Kaixi to the skies, some pro-Taiwan Chinese newspapers in the United States were compelled to point out the "inconsistency" and "vague viewpoints" in his speeches. They also pointed out that judging from the way he answered questions, he "did not have very clear targets for his lobbying activities" and "had not concretely thought about" questions which the United States was interested in. [new paragraph] SHIH CHIEH JIH PAO has been very...[adding sentences; changing newspaper name per Wade-Giles system]

Same paragraph, line twenty-three reads...and expressed some resentment. In a critical...[changing "disappointment" to "resentment"]

Same paragraph, penultimate line reads...the requirements of SHIH CHIEH JIH PAO....[changing newspaper name per Wade-Giles system]

### Article Refutes Fang Lizhi's Marxism Theory

HK3108060189 Beijing GONGREN RIBAO in Chinese  
18 Aug 89 p 3

[Article by Yu Dongsheng (0060 2639 0581): "Refuting 'Theory About Outdatedness' of Marxism"]

[Text] Fang Lizhi often publicly preached his theory about Marxism's "outdatedness" and undisguisedly admitted that the target of his attacks was Marxism. Some of his viewpoints were widely spread at home and abroad, deceived many young people who still lacked



social experience, and caused serious confusion in the minds of the people. Therefore, we must point out the falsehood of his theory so as to help people distinguish right from wrong. Then, where can we find the duplicity of his theory?

First, Fang Lizhi put Marxism down as an ossified theory and denied that Marxism is the truth that has always been developing and improving. He particularly devalued Marxism from the perspective of its effectiveness for a given period of time. He repeatedly stressed: "Marxism is something in the past. It may help us understand the problems in the previous century, but it is not applicable to today's issues." "Its three component parts have all become outdated." Thus, he separated the past from the present in the development history of Marxism, and tried to confine the truth of Marxism merely to the past. If we do not think carefully, we may feel that his viewpoint about linking the truth of Marxism to a certain historical period sounds quite reasonable. However, if we think more calmly and carefully, we may find the absurdity of this viewpoint. What is Marxism? Marxism is a science that guides the revolutionary struggle of the proletariat, and is the most comprehensive form of theory that gives expression to the communist outlook on the world. One of the essential characteristics of Marxism is its emphasis on resolving issues in revolution and construction in the development of practice. Marx himself and many Marxists solemnly declared many times that the theory of Marxism should not be taken as a dogma but as a guide to action. The founder and adherents of Marxism always link their doctrine closely to the development of the revolutionary practice; therefore, as the revolutionary practice never comes to an end, this doctrine is always developing and continuously guides the revolutionary practice. This ensures the perpetual vitality of Marxism. We can say that without continuous development along with the changes in time, place, and conditions, there would be no Marxism. However, Fang Lizhi tried to "fix" Marxism to a certain time and space in order to put it down as "outdated." People with a discerning eye can perceive that he distorted the essential features of Marxism and approached Marxism in a way that is precisely opposed by Marxism. Now, by taking Marxism as a guideline, we mean that we should use the stand, viewpoint, and methodology of Marxism to solve various issues in China's socialist revolution and construction. The basic stand, viewpoint, and methodology of Marxism include these basic points: The people's interests should be placed above everything else; the development of productive forces is the fundamental factor that determines the development of history; the economic base determines the nature of the superstructure; and the superstructure, including ideology, reacts to the economic base. These basic principles are never outdated and are still playing a significant role in guiding China's modernization construction, because they represent the basic regularity and inevitable trend of the historical development of human society. Of course, history is advancing, and the times are changing. A great

deal of new issues continuously emerge under the new situations in the revolutionary practice. Marxism is also facing stern challenges in all fields in the world. This means that it cannot stand still at the same level. It needs to absorb new experience provided by the modern struggle, absorb the new achievements in scientific and technological development, and renew some individual conclusions and theses. A series of new theories and knowledge need to be added to Marxism so that Marxism will maintain its advanced, principled, fighting, and pertinent nature. The CPC, especially the proletarian revolutionaries of the older generation, made outstanding contributions to the maintenance and development of the Marxist theory through their great practice. For example, the Chinese Communists have enriched Marxism with the theories about carrying out armed struggle through seizing state power by building rural bases to surround cities and to eventually win victories in the whole country; about building socialism with Chinese characteristics; about adhering to the four cardinal principles and carrying on reform and opening up; and about simultaneously developing material and spiritual civilization. All these theories were summed up from the valuable experience and wisdom of the whole party under the guidance of the basic principles of Marxism in connection with China's reality, and they greatly enriched the treasure-house of the Marxist theory. This indicates that Marxism is always developing and advancing, and is never outdated. Those who argued that Marxism was outdated just tried to decry the development of Marxism.

Second, by arguing that Marxism was "outdated," Fang Lizhi also tried to negate the role of the Marxist theory. In fact, Marxism has now become a strong spiritual pillar for construction and reform in the socialist countries. However, Fang Lizhi repeatedly alleged that "Marxism has died out in China and is of no use anymore; Marxism has also lost its authoritative influence on social issues." He tried to seek something to support his theory about Marxism's "outdatedness," but could only resort to fabrications. As known to all, China's revolution in the ideological field did not rely on religion or theocracy, nor did it rely on the Western concepts of "democracy, freedom, and human rights." China's revolution relied on Marxism. The CPC history can be regarded as a history of spreading Marxism. The huge achievements in the process of modernization in our country were the results of the combination of Marxism with China's national conditions. In the past 10 years of reform and opening up, could we have guaranteed the correct political orientation of reform and opening up if Marxism had not been taken as the guideline? No. Without this spiritual pillar, the "peaceful evolution" dream expressed by Dulles on behalf of the big capitalists in the United States might have become a reality in China. Why do we say that our party is a great, glorious, and correct party, that our ideological and political work is highly effective, and that our reform and opening up steps have achieved marked and substantial results acknowledged by the whole world? A fundamental



reason is that we have always adhered to Marxism. Fang Lizhi, who was used to spying out the land, was certainly aware of all this, but he denied the facts. This only shows that he harbored sinister motives against Marxism.

Third, by advocating the theory about Marxism's "outdatedness," Fang Lizhi mainly wanted to get rid of Marxism's guiding position in our country and attempted to pave the way for various bourgeois ideas to occupy the socialist ideological position. We used to say that if the socialist ideological position is not occupied by Marxism, then it will inevitably be occupied by bourgeois ideology. This still applies to today's situation. Generally speaking, Marxist ideology holds a dominating position in our society. However, there is also some painful experience in the field of ideology. The typical case was that social turmoil was caused by student unrest and then developed into a rebellion. Why did some young people not believe in Marxism? Why did they rather accept what Fang Lizhi and other "elite" advocated? In the final analysis, it was because we relaxed Marxist education among young people and relaxed ideological and political work. As a result, some young people thought that socialism was not as good as capitalism. This caused a crevice on the spiritual pillar. Various abnormal phenomena of showing contempt for Marxism appeared in these circumstances. Some young people even regarded those who gave publicity to Marxism and the communist ideal as typical conservatives with ossified minds, and held them up to mockery. At the same time, they were more and more interested in various anti-Marxist ideological trends from the West. That was precisely what Fang Lizhi wanted to see. He was savvy at singing a dirge for Marxism. He found that in the course of reform and opening up, Western ideology and culture also made inroads in our country, and this became an opportunity for him to spread the theory about Marxism's "outdatedness" and eulogize Western-style "freedom, democracy, and human rights." He went here and there to talk about replacing Marxist ideology and culture with Western ideology and culture. However, he did not ride high for a long time, and his ballyhoo did not scare the Chinese Communists who persistently upheld Marxism. Instead, people were prompted to more deeply understand the great importance of adhering to Marxism, more seriously sum up the positive and negative experience in the ideological work, more carefully consider the measures for effectively carrying out Marxist propaganda and education, thus more actively, more effectively, and more firmly carrying Marxism forward.

#### **Commentator on Corruption, Clean Government**

*OW3108095489 Beijing BAN YUE TAN in Chinese  
No 15, 10 Aug 89 pp 4-5*

[Commentator's article: Inspiring the People by Wiping Out Corruption and Promoting Clean Government]

[Text] The people throughout the nation are presently discussing the experience and lesson to be drawn from

the student unrest, the turmoil, and the counterrevolutionary rebellion in Beijing. They are all wondering why so many people got involved and why so many places in the country were affected.

Comrade Deng Xiaoping gave a vivid elaboration on the international atmosphere and China's microclimatic conditions. This enabled us to realize that this storm was bound to happen sooner or later because of the strategy of peaceful changes adopted by imperialism against socialist countries and the unchecked spread of bourgeois liberalism in China. This served as a great warning to us that, while continuing to promote the policy of reform and opening to the outside world, we must take a clear-cut stand to uphold the four cardinal principles, resolutely oppose bourgeois liberalism, and continue to do so relentlessly year after year. It is likely that the people will never forget this basic lesson, having paid such a high price to learn it.

But many comrades have been thinking: If our party and government leaders at all levels have been honest and clean, greatly supported by the people, and possessed a high prestige, how is it possible that gatherings agitated and manipulated by a handful of antiparty and antisocialist individuals were able to instigate so many people who did not know the truth?

Today, while a decisive victory was scored in quelling the counterrevolutionary rebellion, we should stay calm and seriously grasp another important speech by Comrade Deng Xiaoping: One reason why such a mess appeared is the spread of corruption, which caused a part of the masses to lose faith in the party and government.

It is true that, currently, the distressful corrupt phenomenon indeed exists amidst our party and government. Some cadres, including some high-ranking cadres, their children, and relatives have used their positions to involve themselves in graft, bribery, extortion, speculation, and profiteering; utilized public funds for lavish dinners, holidays, overseas travels, and building luxurious homes; and even embezzled funds allotted for helping the poor and rescue work. This discredited the party and government, of which some parts are being eroded by these malignant tumors. The people have many misgivings about these tumors, and it was not surprising that a handful of bad people managed to seize upon the people's dissatisfaction to instigate a turmoil and rebellion. It is important to eliminate the hidden troubles of the turmoil and rebellion in order to ensure an enduring public order and the prosperous development of our socialist nation by having the determination to wipe out corruption and promote clean government that will bring hope to and inspire the people who have lost faith in the party and government. This will make it impossible for a handful of hostile elements to exploit the situation.

After learning a lesson from this bitter experience, the party Central Committee and the State Council have decided to carry out seven tasks in the near future which

are of concern to the people. This decision illustrates the firm determination of the central authorities to punish corruption and take the lead in performing duties honestly. This announcement was welcomed nationwide and roused the people greatly. Under the leadership of the central authorities, leading party and government comrades in many localities rapidly rose to the call and took action under the central authorities' leadership. This general trend has been gratifying. But things have not developed evenly. The attitude of a considerable number of responsible comrades is still incorrect. Their actions have been sluggish, saying much but doing little or nothing. There are even some who say or do nothing at all. We must deal seriously with these sort of situations.

Some comrades have been hesitant to squarely face the dangers posed by corruption. However, the majority of party members and cadres are still good. Only a minority are involved in corrupt practices, but the harm done by this "minority" has been great. They caused a large part of the masses to lose faith in the party and government, and their effects are spreading in all directions, contaminating the party's style and social atmosphere. There is no reason why drastic measures should not be taken to redress the situation!

Some comrades have taken note of these dangers, but worried that involvement might be extensive and investigation would offend a lot of people and affect stability within the rank and file. Such ideas are absurd. No form of corruption among cadres is to be tolerated; it must be eradicated no matter how many people are involved. This will also show our love and wish to save them. Should this mean "offending" them, then, let it be so. The reason is that if we do not "offend" them, we will be "offending" the people. Preserving this kind of stability among cadres is nothing but a crime against the people.

Some comrades have been reluctant to take action to eradicate corruption because they themselves are unclean and fear that taking "real actions" would affect their dirty vested interests and threaten their careers. It seems that these people better understand the time of tides. Currently, the storm of clean government and crackdown on corruption is blowing, and they must survive this test. It is better for them to take the initiative now and turn over a new leaf instead of waiting for their turn to be investigated, and then suffering a downfall after being charged for "resisting strict enforcement."

Another group of people worthy of notice are those who appear to have a correct view but regard, without looking deeper into the matter, all criticisms against corruption in party and government organs as bourgeois liberalism and attacks against the party's leadership. Of course, there are indeed a handful of bad people who hid behind the mask of "wiping out corruption" and plotted to overthrow the leadership of the Communist Party and the socialist system. However the broad masses sincerely call for a crackdown on corruption. Therefore, even if their calls are pricking to the ears, they are intended to make the party and socialism pure and strong. This in

turn will vitalize the party and give it greater attraction and cohesion. In other words, by wiping out corruption and promoting clean government to inspire the people, we will effectively uphold the four cardinal principles, oppose bourgeois liberalism, and advance the deepening of reform and opening to the outside world. This is a must in order to maintain political unity with the party Central Committee.

At present, leading comrades in some localities are using real deeds of wiping out corruption and promoting clean government to gain the trust of the people and to win the effective right to speak on their behalf as well as the actual right to lead them. This has been a relief to us. Our forefathers said: "Officials fear me not because I am strict, but because I am honest; the people obey me not because I am capable, but because I am impartial. Impartiality begets honesty and honesty begets authority." Leading party and government leaders at all levels should strive to better understand this and the principles of "a straight foot does not fear a crooked shoe," and "teaching with deeds is better than teaching with words." They should be determined to put them into practice.

Facts will prove that wiping out corruption and promoting clean government to inspire the people has far-reaching significance in our attempt to overcome difficulties to move ahead and to uphold the cause of building a strong nation.

#### **Model Workers To Be Honored for Contributions**

OW3108080189 Beijing XINHUA in English  
0654 GMT 31 Aug 89

[Text] Beijing, August 31 (XINHUA)—Almost 2,800 model workers selected nationwide will be honored next month in recognition of their contributions.

They come from 51 professions, including industry, agriculture, transport, finance, education and culture.

Of the 2,800 selected there are 851 workers, 490 farmers, 311 scientists and technicians, and 345 teachers, artists, doctors and sportsmen.

#### **Science and Technology**

##### **Authorities Lift Ban on Satellite Transmissions**

HK0109013789 Hong Kong HONGKONG STANDARD  
in English 1 Sep 89 p 1

[By Cheung Po-ling]

[Text] Beijing authorities early today lifted the ban on satellite transmission from the capital in the first sign of an easing in the controls on the press imposed since martial law was declared on May 20.

Staff of the satellite transmission section of the official China Central Television confirmed yesterday that they had received a circular instructing the section to resume "normal service" from midnight.

"Like our previous practice, we will resume the round-the-clock service and the videotapes recorded by television stations will not be censored by CCTV," said the official, who declined to identify himself.

Under martial law, foreign television channels have had to advise CCTV of the content of videotapes submitted for transmission and any considered too sensitive have been refused.

Other controls on the press prevent foreign journalists including those from Hong Kong and Macao from reporting from Beijing without approval of the Foreign Affairs office of the Beijing Municipal Government.

Due to a misunderstanding between CCTV and the authorities, the satellite transmission ban was temporarily suspended on May 21 but was resumed the next day.

### Official Reports Progress in Space Technology

*OW2908225989 Beijing XINHUA in English  
1452 GMT 29 Aug 89*

[Text] Beijing, August 29 (XINHUA)—China has made great achievements in space technology including the fields of remote sensing, satellite telecommunications and micro-gravity science, an official said here today.

Ma Junru, an official of the State Science and Technology Commission, said that in remote sensing, China has the capacity to develop and manufacture equipment for meteorological satellite acceptors, satellite zen's and mobile remote-sensing systems. Some facilities have reached the advanced world level already and software of remote-sensed image processing and geological information systems has also made remarkable progress.

Space remote sensing has played an important role in overall surveys of natural resources, environmental monitoring and the surveillance of major natural disasters, as well as appraisal of construction projects and city layouts.

In satellite telecommunications, China will have 15,000 satellite television receiving stations and 40 satellite ground stations by end of this year. The country has also made satisfactory progress in developing small satellite ground stations, which will enable the country to apply widely satellite telecommunications in transmission of economic information.

In micro-gravity science, China has completed construction of its first special experimental facilities.

### Visitors Throng to Satellite Launch Center

*OW0109034489 Beijing XINHUA in English  
0136 GMT 1 Sep 89*

[Text] Beijing, September 1 (XINHUA)—China's Xichang satellite launching center in Southwest China's Sichuan Province has received some 70,000 Chinese and overseas visitors since it opened on September 1 last year, according to today's "WORKERS' DAILY".

Located at Mt. Daliang in Sichuan, this comprehensive space craft launching center had been a mysterious place to outsiders before it opened to visitors a year ago.

Since 1984 the center has launched five experimental and practical telecommunications satellites.

Its opening has given ordinary people a chance to learn something about the development of China's space industry.

### Border Defenders See Television Via Satellite

*OW2908114989 Beijing Television Service  
in Mandarin 1000 GMT 27 Aug 89*

[From the "National News Hookup" program]

[Text] The Beijing Military Region has built 40 satellite television receiving stations for border defense units, providing officers and men with clear reception of television programs on the same day of broadcast. [Video shows soldiers with automatic weapons riding camels, soldiers at outpost with binoculars, and a group of soldiers watching television in a room]

### Leading Power Plants Report Production

*OW2908230489 Beijing XINHUA in English  
0933 GMT 29 Aug 89*

[Text] Beijing, August 29 (XINHUA)—China, which has a total power generating capacity of 110 million kilowatts, produces 543 billion kwh of electricity annually, which makes it the fourth biggest producer after the United States, the Soviet Union and Japan.

There are 11 power grids with a capacity of more than a million kilowatts each in China. The four largest grids with a capacity of over 14 million kilowatts each are located in east, central, northeast and north China.

Almost 100 large hydro and thermal power stations have been built. Each of these power stations has a capacity of more than 250,000 kilowatts and 13 of them are able to generate over a million kilowatts.

The Gezhouba Dam Hydropower Station with a capacity of more than 2.7 million kilowatts is the largest of its kind in China. Located in Hubei Province, it went into operation in 1988.

The Qinghe Power Plant in Liaoning Province with a capacity of 1.5 million kilowatts, the largest thermal power plant in China, went on line in 1984.

The Yuanbaoshan Power Plant in the Inner Mongolia Autonomous Region is equipped with the biggest thermal electric generator in China—600,000 kilowatts.

The three 300,000-kilowatt hydropower generators at the Baishan Hydropower Station in Jilin Province are the largest of their kind in China.



China also has some small hydropower stations with a total capacity of 10 million kilowatts and thermal power plants with a capacity of more than 3 million kilowatts.

### Agricultural & Economic

#### XINHUA Reviews Open Policy's Achievements

OW3108132589 Beijing XINHUA Domestic Service  
in Chinese 1220 GMT 27 Aug 89

[“Tremendous Achievements in China's 10 Years of Reform”—XINHUA headline; “Local Broadcast News Service”]

[Text] Beijing, 28 Aug (XINHUA)—After 10 years of reform, China's coastal region has developed into a multilevel open structure incorporating 5 special economic zones, 12 economic and technological development zones, 14 open cities, and 283 open counties. The economic strength of the open areas in the coastal region has notably increased. These open areas have become important bases for developing foreign trade, attracting foreign capital, and expanding external economic and technological exchanges and cooperation.

Opening to the outside world has breathed new life into China's national economy. In the last 10 years, the country's total import and export volume quadrupled. More than \$30 billion of foreign loans were used for the construction of communications, energy, agriculture, education, and other key projects. These loans made up for the shortages of domestic construction funds. More than 20,000 advanced technologies and equipment were imported, which helped transform a number of key enterprises, and pushed forward China's scientific and technological progress. More than 7,000 Chinese-foreign joint ventures, cooperative enterprises, and exclusively foreign-owned enterprises have been set up. They are useful supplements to the socialist economy.

During the 10 years of opening, an open structure extending from the coastal region to the interior with special economic zones, open cities in the coastal region, and coastal economic open zones forming the key links was established. To meet the needs of opening, 283 coastal open counties have also actively readjusted their industrial structures. As a result, their export-oriented rural economy has grown considerably. According to statistics, the growth of their rural output value in recent years exceeded the national average by 6 percentage points. New advances have been made in the development of an export-oriented economy in coastal rural areas. The total size of export industries, including agricultural and sideline production, has also expanded. At the same time, a group of village and town enterprises engaged in export production emerged with great vitality. In 1988, 21,000 village and town enterprises in the coastal region were engaged in export, producing more than  $\frac{1}{3}$  of the total value of export products procured from all the country's village and town enterprises.

#### Industry, Resources Lead Investment Ventures

HK3108074189 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1036 GMT 28 Aug 89

[“China Actively Makes Efforts To Establish Enterprises Overseas”—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 28 Aug (ZHONGGUO XINWEN SHE)—While going all out to bring in foreign investment to increase the national strength, China is also steadily advancing its overseas investments.

So far, China has set up 526 joint ventures, cooperative companies, and enterprises solely owned by Chinese in 79 countries and regions of the 5 continents. The total capital of these enterprises amounts to \$1.9 billion and Chinese investment in these enterprises is \$720 million.

Most overseas enterprises set up by China are engaged in industrial production and resource development projects. Eye-catching projects include the aluminium plant and iron mine in Australia, the timber felling and processing project in the United States, and some rubber, textile, printing and dyeing, paper pulp, pelagic fishing, and gold mining projects. At present, 376 enterprises have begun business or have been put into operation and over 90 percent have achieved satisfactory economic results.

Attracting foreign investment to promote domestic construction and making overseas investments are the two channels through which China builds up its ties with the world economy. The former can make up the deficiency in funds for domestic construction and make advanced technologies available to China; the latter channel can make up for the deficiency in domestic resources and directly make profits. Part of the production from the overseas enterprises is for sale on local markets but a certain percentage of the products will be transported back to China. As compared with attracting foreign investment at home, which has achieved marked results, making overseas investments remains in the initial stage.

Meanwhile, China has also made substantial progress in undertaking overseas construction contracts and exporting labor services.

Before 1978, China only provided labor services for a small number of countries such as Nigeria and Yemen. In 1979, China began to undertake labor service contracts in Hong Kong and Macao. After that China gradually increased the export of labor services and undertook more construction projects. By the end of 1988 more than 60 Chinese companies had undertaken international labor contracts and 7,534 construction contracts and labor service cooperation contracts in 125 countries and regions in Asia, Africa, Europe, and America. The contracts had a total value of \$10.6 billion. The part which had been fulfilled was valued at \$6.09 billion and \$1 billion in profits had been made.



Seven years ago the largest project undertaken by China was only valued at \$50 million. In 1988, seven Chinese companies undertook large projects valued at over \$100 million.

Moreover, China undertakes projects requiring high skills and not only those that require lesser skills. The scope of service contracts has extended to the fields of computer software, ocean navigation, and management. The exported labor force also includes high-technology professionals.

### **Railways Require Additional Investment, Strategy**

*HK3108023189 Beijing CHINA DAILY  
in English 31 Aug 89 p 4*

[By staff reporter]

[Text] China's railways are straining to carry the country's economy forward. But both may be seriously bogged down if railway construction and updating are not speeded up.

This is the worry haunting many transportation experts in the ongoing debate over railway planning.

The experts are strongly urging a radical change in transportation strategy and drastic increases in railway construction investment so that the rails can function as economic lifelines for the nation.

About 52,700 kilometres of rail lines are now carrying 71 percent of the country's freight and 56 percent of its passengers.

With double the length of rail lines and the number of train cars quadrupled, the railway network now annually carries 11 times as many as the 100 million passengers it moved in the early 1950s. Freight loads on railways have increased by an estimated 20 times since 1950.

Almost all passenger trains are severely overcrowded every day the year round.

### **New System**

In 1988, freight trains accommodated only 67.8 percent of the capacity needed by the over-heated economy, even though locomotives dragged many more coaches than they were designed to.

To cope with the task, a system was introduced in 1986 into the railway industry that employs 3.2 million people and has fixed assets worth 100 billion yuan.

The system, which requires the industry to pay its workers and develop itself with its own profits, helped to improve the workers' productivity, but it also overtaxed the railways even further.

By now, 12,900 kilometres of railroad tracks—21 percent of the total—have been found to be overused, and faults in railbeds have been discovered in nearly 96,000

places. Astonishingly, nearly 2,300 passenger coaches manufactured between 1935 and 1938 are still in active service.

Such a railway network has the potential for many accidents, which take place whenever the slightest negligence occurs.

A train derailment that happened early last year near Shanghai claimed 196 lives, and led, along with several other accidents, to an unprecedented case of a forced resignation by a minister, Ding Guangen, who, as head of the railway ministry, took responsibility for faulty management.

Such management might be inevitable, considering the fact that the percentage of railway investment out of the national capital investment has decreased to less than 5 percent from the 10-plus percent of the 1950s and 1960s, while the long-distance fares for both freight and passengers have remained unchanged for almost 40 years.

In the 1980s, about 300 kilometres of new railroad were added each year to the railway network, compared with the annual average of 1,000 kilometres of new railroads built in 1950s and early 1960s. This year only 253 kilometres of new railroads are planned.

Insufficient rail capacity has caused serious economic problems.

According to a Shanghai-based newspaper, power cuts in Shanghai, Jiangsu and Zhejiang inflicted a total loss of 10 billion yuan on the region's industries in 1987 alone. The reason was that power plants there had to stop running while they waited for coal shipments.

Experts estimate that half of the passengers and freight will be delayed in East China alone by the end of the century unless the railway network is combined with another artery line across the Yangtse River.

The railway bottleneck has also brought about social and political problems.

For example, crowded conditions on passenger coaches has made them hotbeds for crimes such as theft and hooliganism. Poor sanitation in the crowds helps spread infectious diseases.

But what angers railway passengers the most is the highly profitable speculating on train tickets and freight cars, the first by individual touts and the latter by corrupt railway officials.

Experts blame unreasonable State policies for the predicament. Those policies were formed in the early 1980s on the basis of a railway theory that was based on mistaken perceptions of the problems.

The experts' theory was that airplanes were better than railways for passengers travelling over 1,000 kilometres, and express highways better than railways for both passengers and freight travelling less than 400 kilometres.

The theory also opposed building railways along major rivers and sea coasts, which it said could be turned into major transportation routes.

The theory proved unwise because highway transportation consumes 20 times as much energy as railways and the cost is thus at least 10 times higher. Highways also occupy four times as much precious land as the railways.

Sea shipping was often irregular and river shipping usually more costly. As for air traffic, few travellers could afford it.

In retrospect, the conclusion can be drawn that railway construction must be emphasized and greatly accelerated in the country's bid to solve its transportation problems, which are presently hindering economic development.

This would naturally demand enormous amounts of capital investment, which is, however, a serious problem for almost anything in this tightly-budgeted country.

Whatever the budget, experts say that China's railway length should be increased by 0.5 percent for every 1 percent increase in its industrial output if the country wants sustained economic development.

But the actual ratio between the two was only 0.147 to 1 in 1988, which means that unless an upsurge in railway construction takes place soon, the national economy will head into a slump that will undermine the country's economic goal of quadrupling the gross national product by the end of the century.

#### **New Campaign Targets 'Rampant' Tax Evasion**

HK3108020589 Beijing CHINA DAILY  
in English 31 Aug 89 p 1

[By staff reporter Wang Xiangwei]

[Text] The State is set to launch a nationwide drive against the tax evasion considered to be rampant among self-employed and private businesses, said a top tax official yesterday in Beijing.

The central government is undertaking this campaign, which will go on for the rest of the year, as an important step to solve the problem of imbalanced income distribution which is strongly resented by ordinary people, said Jin Xin, director of the State Tax Administration at a national tax conference which opened yesterday.

"If this problem remains unsolved, it will certainly sap the morale of the dominant working classes and bring adverse effects on the enthusiasm of intellectuals," Jin said. "To let it go on this way will someday erode the country's economic foundation dominated by public ownership."

However, Jin affirmed that the taxation policies towards privately owned enterprises will remain unchanged. "We just want to punish tax evaders and

strengthen taxation supervision, but not add more burdens on the self-employed industrial and commercial enterprises," Jin said.

In his keynote speech to the top tax officials, he also called for stronger efforts to reform the tax-collecting system, to draw up certain tax laws, and to improve the system of reducing and remitting taxation.

Meanwhile, he also reaffirmed that the country's foreign-related taxation policies will remain unchanged.

Jin said the preferential terms on taxation for bringing in foreign investment and techniques will be the same.

He called on taxation branches across the country to continue the policies of light taxation, more preferential terms, and less procedures in dealing with foreign-related businesses to further improve the country's foreign investment climate.

By the end of 1988, there were more than 14.5 million self-employed and privately owned enterprises employing more than 23 million people.

By the end of July, the taxes collected from self-employed businesses had reached 6.2 billion yuan, an increase of 39 percent over the same period last year.

Jin said the taxes collected from self-employed businesses should rise to 12 billion yuan this year. Last year, taxation income was posted at 9.2 billion yuan.

#### **Central Bank Reports Improved Income, Reserves**

OW3108224089 Beijing Television Service  
in Mandarin 1000 GMT 22 Aug 89

[Announcer-read report from the "National Hookup" program; caption reads: "China's Financial Situation Continues To Improve"]

[Text] China's monetary and financial situation continued to improve during the second quarter of the year.

According to an announcement by JINGRONG SHIBAO [FINANCIAL TIMES] with authorization from the People's Bank of China, the situation of the state's credit income and payments as well as gold and foreign currency reserves during the second quarter this year shows that, by the end of June, the amount of deposits in banks and credit unions in the country had reached 930.9 billion yuan, including 444.6 billion yuan of savings deposits—an increase of 32.7 billion yuan over the previous quarter. By the end of June, the amount of various types of loans in the country had reached 1,174.5 billion yuan. Of this, the amount of industrial and agricultural loans was 20.8 billion yuan higher than in the previous quarter and the amount of loans extended to construction enterprises and fixed assets was 10.2 billion yuan less than that in the same period of 1988. By the end of June, the state's foreign exchange reserves reached \$14.2 billion, an increase of \$350 million over the end of March; the amount of gold

reserves had reached 12.67 million ounces; and the amount of Renminbi in circulation had reached 208.1 billion yuan, or 1.8 billion yuan less than that at the end of the preceding quarter.

### Enterprises, Management Concerns Detailed

#### State Council on Defaults

OW0109084689 Beijing XINHUA in English  
0746 GMT 1 Sep 89

[Text] Beijing, September 1 (XINHUA)—The State Council set up a special team on August 29 to tackle the increasingly serious problem of enterprises defaulting on their debts and failing to pay their taxes.

Headed by Wang Bingqian, state councilor and minister of finance, the team will take concrete measures to assist the enterprises in paying their debts to banks and to other enterprises which total 108.5 billion yuan (29.3 billion U.S. dollars).

According to the "CHINA DAILY", this year defaults by enterprises rose rapidly every month disrupting China's economy and interfering with the state budget. Wang told the first meeting of the team which consists of top officials from the Ministry of Finance, the People's Bank of China, and the State Planning Commission.

Li Guixian, governor of the People's Bank of China, said recently that these defaults have intensified the acute shortage of funds which has reduced the working capital enterprises need for production.

Banking experts listed the following reasons as causing the current financial problem: China's clamp-down on capital construction, and its tight monetary policy, and the flat refusal by some enterprises to pay their taxes.

Li said that in the coming months banks across the country will focus on helping the large and medium-sized enterprises to clear their debts to other enterprises through loans to those enterprises with sound economic histories.

However, banking experts said that the enterprises cannot totally depend on bank loans to clear their defaults.

#### Paper Urges 'Management Revolution'

OW2908082789 Beijing XINHUA in English  
0542 GMT 29 Aug 89

[Text] Beijing, August 29 (XINHUA)—A management revolution should be waged so that management of enterprises in China can be greatly improved in the last decade of this century, said "ECONOMIC INFORMATION".

The newspaper listed abuses brought about by backward management.

In Daqing, the country's main oil producing base, some office workers openly play poker when they are supposed

to be working at their desks. In the oil field, a great deal of crude oil is wasted each year.

In Guangzhou, there is no end to lavish feasts in plush hotels, all of which are not paid from private purses.

It is estimated that the feasts at public expense across the country cost more than 10 billion yuan each year.

In recent years, the number of losing enterprises keeps increasing because of mismanagement. It is estimated that annual losses total 10 billion yuan.

Moreover, the energy waste rate in the country is alarmingly high. The energy used to produce one U.S. dollar worth of GNP in China is 4.97 times higher than that needed in France, 4.43 times higher than that needed in Japan and 1.65 times that of India.

In equipment management, there are also big loopholes. In Liaoning Province alone, it is estimated that about 1.5 billion yuan worth of equipment lies idle.

In addition, the high reject rate caused by mismanagement is also high. In 1988, for example, wasted products caused a loss of 18.3 billion yuan.

The newspaper pointed out that three major things should be done as soon as possible in order to carry out management reform.

The principle that those who work well should earn more than the average should be guaranteed; a more effective system of work days should be introduced; and a system of inviting suggestions and ideas from workers and technicians on how to increase production and efficiency should also be introduced.

#### Amalgamation Praised

OW3108133889 Beijing XINHUA in English  
1211 GMT 31 Aug 89

[Text] Shenyang, August 31 (XINHUA)—As China is increasingly gearing its economy to export, groups of enterprises are forming on China's economic scene, bringing hope and vitality to its competitiveness in the international market.

An official with the prestigious State Planning Commission called it "an international trend" China is trying to catch up with.

According to the official, Mr Song Peisheng, there are 440 such groups officially registered with his commission.

Mr Song said that after China opened its door to world trade in the early 80's, many of its entrepreneurs were surprised to find that 40 percent of world production, 30 percent of international technical transfers and half of world trade are monopolized by transnational consortiums.

The two groups of 300 auto manufacturers established in 1984 championed the birth of 2,000 more consortiums among China's 460,000 enterprises.

The renowned Xian Power Equipment Manufacturing Co. on the western outskirts of the ancient city of Xian, amalgamated five Sino-foreign joint ventures, bought the shares of 19 companies and annexed 100 other producers to become one of China's most powerful electrical equipment production centers.

This amalgamation drive showed remarkable vitality by upgrading its existing 330,000 to 500,000 volt transformers and exporting products with a total value of 82 million U.S. dollars to 57 nations and regions.

The company's senior economist, Mr Cheng Yinbo, attributed the success to freedom from the old economic set-up.

As part of government encouragement to this drive, such groups enjoy budgetary privileges in the state plan and privileges in raw material supplies, direct technical and capital imports and foreign trade.

According to Mr Song, these groups in Shenyang, Shanghai, Guangzhou and Wuhan are booming by holding shares, contracting and leasing, though inflation is a problem for many of the entrepreneurs.

Mr Zhang Qinkai, director of the Shenyang Air Compressor Group Company broadened his vision after visits to the U.S., the Federal Republic of Germany and Japan. He has tried to transfer some production to 14 subsidiary factories with unskilled labor and had the main plant concentrate on development of new products.

As a result, the company's annual output value has swelled to 25 million U.S. dollars from 10 million five years ago.

The manager of the Dongfeng Auto Industry Group, Mr Chen Qingtai, believes amalgamation helps make the best use of capital and realizes specialization of production.

"It's by no means robbing the rich to help the poor," he said.

Mr Ma Fuyuan, chairman of the board of directors of SEG Group in Shenzhen, one of China's special economic zones, aims to make his export-oriented company of 93 share-holding subsidiary enterprises and 44 Sino-foreign joint ventures China's first transnational.

SEG with an export value of 325 million dollars last year is setting up offices in North America, Africa, Eastern and Western Europe, Asia and the Pacific region and is establishing ties with such international giants as Siemens, NEC, Hitachi, Philips, National and more than 100 other corporations in a dozen countries.

In pursuing Mr Ma's transnational dream, his company has become one of the share holders of a Canadian computer company and has bought 95 retail shops in the eastern United States.

Mr Ma describes his effort as "capital concentration with unique Chinese characteristics" which feature state participation.

However, in this drive, there are still some problems, said Mr Song of the planning commission. "One of them is blind development," he said.

The economic planner said that there are often conflicts between the effort and the existing management set-up.

He hopes there will be more theoretical study into how the groups of enterprises can be better geared to China's industrial set-up, how they can improve themselves and what the role of the government should be in the drive.

### National Exhibition Features Townships

HK3108024189 Beijing CHINA DAILY  
in English 31 Aug 89 p 2

[By staff reporter Wu Yunhe]

[Text] China's export-oriented township enterprises will display their foreign exchange earners at a national exhibition, presenting their successes over the past 10 years as well as promoting further cooperative efforts with foreign partners.

Zhou Handa, a senior official for the Township Enterprise Administration under the Agricultural Ministry, said that enterprises from the country's provinces and regions are expected to participate in the 2nd National Township Enterprises Export Commodities Exhibition, which will run 11 days from September 23.

He expects this exhibition to attract more foreign businessmen to the township enterprises and thus precipitating more foreign trade over the coming years.

Zhou said yesterday at a news conference that the country's township enterprises have achieved a great success over the past 10 years although they have been plagued by shortages of funds, energy and raw materials.

The township enterprises have advantages over the State-owned firms. The flexible management system allows them to gear production to the needs of the international market, Zhou said.

According to official statistics covering 20 major provinces and municipalities, during the first half of this year the township enterprises exported goods worth 14.3 billion yuan (\$3.8 billion), 40.5 percent more than last year.

Last year the nation's township enterprises earned \$8.02 billion from exports which accounted for 16.8 percent of China's total foreign exchange earnings.

However, Zhou said that some of the enterprises will close down this year, due to the implementation of the central government's economic retrenchment policy.



Over the past 10 years, the township enterprises employed 95.4 million people in the countryside, making up 23.8 percent of the gross labour force engaging in farming.

Official statistics showed that last year China had 1.59 million township enterprises, with an output value of 473.5 billion yuan (\$128 billion) or 21 percent of the country's total value of industrial output, Zhou said.

"The township enterprises have become an important force in the national economic structure."

Now, some township enterprise centres producing export goods have been established in the country's coastal areas, Zhou said.

There are a total of 120 enterprises engaging in the production of electric machinery and 78 in producing textiles in the centres, Zhou added.

### Insurance Official Describes Industry's Growth

OW2808020389 Beijing XINHUA in English  
0142 GMT 28 Aug 89

[Text] Beijing, August 28 (XINHUA)—The insurance businesses in China have experienced a big increase despite of the difficulties posed by the recent social unrest, a serious shortage of funds, inflation, and natural disasters in the first seven months of this year, "CHINA DAILY" reported today.

By the end of July, insurance income was posed at 8.8 billion yuan, representing a 29.3 percent increase over the same period of last year, and 70 percent of the annual target, the newspaper quoted Qin Daofu, general manager of the People's Insurance Company of China (PICC), who is attending a national insurance conference which opened yesterday in Beijing.

Qin said he is optimistic about the company's fulfilling its target for the year of 11.5 billion yuan in premium incomes.

However, he warned against a possible slump in several major categories such as enterprise properties, life insurance, and foreign-related insurance for transportation of goods, tourism, and offshore oil drilling.

He called for all-out efforts from the insurance branches across the country to expand the insurance business in the remaining months of this year, the peak period of renewing policies for the year ahead.

Meanwhile, the company will continue to clean up the insurance business focusing on abolishing those insurance business lines undertaken by non-insurance companies to maintain a monopoly.

According to Qin, from January to June this year, the PICC's total premium income reached 6.9 billion yuan, an increase of 28.5 percent over the same period of last year.

Premium income for property insurance including agriculture rose to 3.83 billion yuan, 36.3 percent over the same period of last year, while the premium income for life insurance was 2.3 billion yuan, up 26.5 percent over the same period of last year.

And premium income for foreign-related insurance was 210 million U.S. dollars in the first half of this year, more or less the same as last year's figure.

The company's total expenditures for damages by the end of June was 2.4 billion yuan, of which property insurance cost 1.2 billion yuan, life insurance, 630 million yuan, and foreign-related insurance, 60 million U.S. dollars.

The general manager added that his company would face greater difficulties in the future months as the slow-down of the economy, tight budget policies, and serious shortages of funds will handicap organizations' and individuals' capacities to pay premiums.

### Communications Line Theft, Sabotage Increases

HK3008074789 Beijing RENMIN RIBAO in Chinese  
23 Aug 89 P 2

[XINHUA report by reporter Li Mei (2621 3780): "Rising Incidence of Communication Lines Sabotage"]

[Text] Beijing, 22 Aug (XNA)—The dramatic rise in the number of thefts and sabotage of communication lines this year has created a serious threat to the steady flow of communications in our country, with the communications system actually paralyzed in some areas. At a telephone conference called jointly by the Ministry of Post and Telecommunications, the Supreme People's Court, the Supreme People's Procuratorate, and the Ministry of Public Security, the public security organs and post and telecommunications protection departments in all localities were asked to concentrate their efforts on cracking down and punishing criminal elements responsible for the sabotage of communication lines.

Based on incomplete statistics, the incidence of sabotage of communication lines around the country for the first half of this year stands at 1,674, three times more than during the same period last year. Some 1.44 million m of electric wire and cable and 668 electric posts were stolen, resulting in direct economic losses of 4.44 million yuan, almost five times that of the same period last year. The sabotage of communication lines usually causes disruptions to the communications system in a province or area, or even to the international communications network. It creates serious interference in the normal working and living order of society and inflicts heavy losses on the economy. On 9 and 11 May this year, a grade A state cable linking Beijing to Lanzhou, Jiuquan, and Qinghai via Xian was destroyed, causing the electric circuit linking the capital and other areas in the northwest region to be unoperational for over 2300 minutes and creating very bad problems.

Today's telephone conference drew up special plans to combat criminal gangs specializing in the theft and sabotage of communication lines. It also outlined plans to carry out a comprehensive crackdown on used goods purchase centers in various places in order to apprehend illegal operators. The conference also expressed hope that the localities will conduct a vigorous campaign to encourage people to take part in the joint defense and protection of cables, so that criminal elements will be rendered helpless and the incidence of crime reduced.

### Six Large Airlines To Be Established

OW3108083989 Beijing XINHUA Domestic Service  
in Chinese 1210 GMT 29 Aug 89

[Reporter Li Mei (2621 3780): "Local Broadcast News Service"]

[Text] Beijing, 29 Aug (XINHUA)— The place was at the Civil Aviation Administration of China building in Beijing. This reporter was making inquiries after the opening of China's international air routes. Lu Ruiling, head of the international department of the Civil Aviation Administration of China [CAAC], read out the following: New York, San Francisco, Vancouver, Tokyo, Manila, Bangkok, Singapore, Karachi, Kuwait, Istanbul, Addis Ababa, Rome, Paris, London, Frankfurt, Moscow ..., and also Sidney and Melbourne. I quickly wrote down the 43 air routes that link 32 cities in 26 countries in America, Asia, Africa, Europe, and Oceania, covering over 150,000 kilometers of flying mileage.

"Phoenix" flies into the world. "Phoenix" is the logo of China's International Airlines. The largest airline company in China, with 30 wide-bodied Boeing passenger planes, is serving 95 percent of CAAC's international flight routes. "AIRCHINA" [capitalized English word is XINHUA's] has set up offices in 31 cities, offering services at all time to passengers from around the world. Department head Lu Ruiling also told this reporter that six large airline companies will be established after completing management structure reform in China's civil aviation. In addition to the Beijing International Airline Company, the civil aviation administrations in Shanghai, Guangzhou, Chengdu, Shenyang, and Urumqi will all have their own international and domestic flight routes.

### Spokesman Says Material Supply Strain Eases

OW3108020789 Beijing XINHUA in English  
1411 GMT 30 Aug 89

[Text] Beijing, August 30 (XINHUA)—Supplies of most materials have improved and prices have become stable in China, a spokesman for the Ministry of Materials and Equipment said here today.

Xie Minggan said that since the second quarter of this year, the supply of many materials has increased while the social demand has been curtailed.

The strain on energy and some raw materials has been alleviated and the prices of 15 items, including cold-rolled steel sheet, silicon steel sheet, wire, copper, lead, nickel, polyethylene, cement and timber, have dropped, Xie said.

In the first seven months of this year, materials for light industry and for key construction projects were sufficient and the general stock of important materials has increased, compared with the same period last year, according to the spokesman.

Xie attributed the improvement of supplies to wider sources, as well as the government's efforts to rectify the economic order, which has promoted readjustment of the industrial structure.

Xie said that though the social demand remains higher than the supply, the price hikes of capital goods this year may be lower than the level in 1988, and there will be no serious problem in material supply in the remaining months of this year.

### State Regains Control

HK3108022789 Beijing CHINA DAILY  
in English 31 Aug 89 p 1

[By staff reporter Li Hong]

[Text] The State will adopt a series of measures to re-strengthen its control over the distribution of key industrial materials and equipment and will step up efforts to clean up all the materials circulation channels, a senior official said yesterday.

The action will "gradually shut the door on speculators and profiteers," according to Xie Minggan of the Ministry of Materials and Equipment.

"During the recent period, the State control on the amount of these goods and their allocation has been weakened," said Xie, who is also director of the Policy Research Bureau, at a news conference in Beijing.

According to statistics, the proportion of some main materials subject to the State's planned allotment in the total national output is on a continuous decline. Coal has decreased from last year's 45 percent to the present 44 percent, rolled steel from 45 percent to 42 percent, and cement from 14 percent to 13 percent.

The purchase and sales by State-run organizations dealing with these materials are also dropping. In the first half this year, buying and selling decreased 20 percent and 23 percent, respectively.

Xie cited a number of measures to tackle the problem:

First, there will be no further reduction in the State's distribution of materials. The State will ensure that its mandatory assignments to production enterprises will not be cut.

The State will also try to bring the price of some materials such as coal, rolled steel and non-ferrous metals under control.

To achieve this goal, redundant "middle" channels will be cut, illegal materials dealers and those officials who trade power for money will be disciplined, all the materials markets as well as trade centers will be screened and materials circulation will be put in order.

### **Yellow River Valley Becomes Key Energy Base**

*OW3008061889 Beijing XINHUA in English  
1423 GMT 29 Aug 89*

[Text] Zhengzhou, August 29 (xinhua)—The Yellow River Valley has become an important energy production base, turning out 32 percent of China's coal, 29 percent of its crude oil and 10 percent of its hydro-power in 1988.

On the upper reaches of the river—the second-longest in China, four power stations with a combined generating capacity of 1.96 million kw were built in Gansu Province before 1980. Since 1980, four generating units have gone into operation at the Longyang Gorge Power Station in Qinghai Province. The units are designed to generate six billion kwh a year. Construction of the Lijia Gorge Dam started in April 1988 and the hydro-power station will have a generating capacity of two million kw, second only to the Gezhouba Hydro-power Station on the Yangtze River.

The middle reaches of the Yellow River abound in coal reserves, including those of the Jungar Coalfield in the Inner Mongolia Autonomous Region, and the coalfields of Shanxi and Henan Provinces. Shanxi Province produces 200 million tons of coal a year, leading the whole country. Two big mining centers are under construction in Shanxi and the Jungar Coal Field. China's coal experts predict that coal mines in the middle reaches of the Yellow River will produce 600 million tons of coal in the 2030s.

On the lower reaches, the first oil well was drilled in Shandong Province in 1964. The Shengli Oilfield in Shandong produced 231 million bbl of crude oil in 1988, 24 percent of China's total. The Zhongyuan Oilfield in Henan Province will become another important natural gas production center in east China.

Development of energy resources along the Yellow River Valley has also promoted development of non-ferrous metals, building materials and petro-chemical industries in those areas.

### **Paper Industry Continues Growth**

*OW2708231489 Beijing XINHUA in English  
0658 GMT 27 Aug 89*

[Text] Beijing, August 27 (XINHUA)—China's paper industry is expected to maintain an annual growth rate of five to six percent, which is to raise output to 20 million tons by the end of the century.

By the end of 1987, there were 5,126 mills in China engaged in papermaking, the "CHINA DAILY" reported today.

There are also 12 research institutes, eight design institutes in the field and several factories manufacturing special equipment for papermaking.

The industry produces some 500 varieties of paper, meeting most of the needs of the domestic market, the paper added.

Although China has a papermaking history of more than 1,800 years, the most rapid development of this sector has been in the last decade, with an average annual output increase of 11.2 percent.

In 1987, the total output of paper and cardboard in China was 11.41 million tons, ranking the nation as the fourth biggest paper producer in the world.

Last year, production totalled 12.1 million tons, an increase of six percent over 1987. The slower growth rate reflects last year's cutback on credit and the money supply, designed by the government to control the overheated economy.

Because of the domestic shortage of raw materials, the industry depends heavily on foreign pulp and paper.

But lack of foreign exchange has substantially reduced imports in recent years.

Paper and cardboard imports last year were about one million tons, well down from the 1.3 million tons in 1987. Pulp imports rose somewhat to 700,000 tons.

This year, paper and cardboard production is expected to grow by no more than four percent to around 13 million tons, while imports are set to fall again, the paper quoted a well-informed source in the Light Industry Ministry as saying.

There is a significant gap between the demand of a huge population and limited supply. Average paper consumption in China is only 11.5 kilograms per person, compared with 42 kilograms in the world and 16.1 kilograms in Asia.

Another feature about the industry is that the majority of its factories are small paper mills, with a production capacity of 10 tons a day, the paper reported.

Of the country's 5,126 paper mills, big and medium enterprises with an annual production capacity of over 10,000 tons number only 189 and produce 43 percent of all the paper made in the country.

Besides the shortage of wood, imbalanced enterprise structure and pollution, the industry's other major problems are shortage of capital resources and outdated equipment and technology.

And in recent years, the irrational price system has become a new headache for the industry, the paper said.



The prices of raw materials such as timber have gone up while the prices of major paper products such as newsprint and paper for printing textbooks are still controlled and kept artificially low by the government.

### **Wool To Receive International Certification**

HK3108025389 Beijing CHINA DAILY  
in English 31 Aug 89 p 2

[By staff reporter Xiao Qu]

[Text] Starting October 1, six Chinese commodity inspection centres will be set up to stamp sweaters, other knitted goods, blankets and carpets with the International Wool Secretariat's "pure new wool" trade marks.

John K.H. Sheung, IWS' China branch operations manager, told a news conference in Beijing yesterday that this development is part of a contract signed with the China National Import and Export Commodities Inspection Corporation (CCIC) on July 6.

The contract also requires that all woollen products with the IWS trade mark be inspected by CCIC before sales both at home and abroad.

The six inspection centres will be set up in Tianjin, Beijing, Shanghai, Guangdong, Jiangsu, Liaoning and Heilongjiang municipalities and provinces, Sheung said. They will not only examine the workmanship, but also the quality of the cloth and raw materials used.

About 70 inspectors were trained in Wuxi, Jiangsu Province, in May to work in the new centres. They are expected to get licences from IWS in October.

CCIC's vice-president, Meng Qingfa, said the centres will both increase IWS' influence in China and also help to improve the quality of Chinese woollen products and their reputation on world markets.

IWS, which is an organization for popularizing woollen products in the world, started using its "pure new wool" trade mark in 1964. More than 15,000 wool industries all over the world have adopted the trade mark.

In China, 285 manufacturers have adopted the trade mark and 15 centres were set up to handle the inspection of wool products, Meng said. More than 100 Chinese inspectors have passed IWS tests and are licensed to make examinations.

Zhu Zhenyuan, director general of the State Administration of Import and Export commodity Inspection, assured the IWS that the Chinese inspection organizations will try their best to perform responsibly for IWS.

Zhu said China's inspection work is expected to reach new heights of quality control as the country's commodity inspection law and other regulations are implemented.

He disclosed that two more supplementary regulations—concerning re-inspections according to requests of foreign and domestic businesses and commodities free from inspection—will come out next month.

A responsibility system among Zhu's staff is also under planning to strengthen inspection, he said.

### **State Councillor Stresses Pollution Control**

OW3008204389 Beijing XINHUA in English  
1440 GMT 30 Aug 89

[Text] Beijing, August 30 (XINHUA)—State Councillor Song Jian today urged governments at all levels to take responsibility for environmental protection.

At a national telephone meeting commending model enterprises and workers in pollution control, Song Jian, also director of the Environmental Protection Commission of the State Council, said that by no means should local governments stress economic growth at the expense of the environment.

Song said that over the past decade, especially since the second national meeting on environmental protection in 1984, environmental pollution has been put under control to a certain degree, the ecological imbalance alleviated in some areas and environmental quality in some cities improved.

Environmental protection departments at all levels should firmly use the power granted by the Environmental Protection Law to monitor local enterprises and make them look after the environment. And all enterprises should give equal stress to economic returns and pollution control, Song said.

He also called for mobilizing the whole people to make joint efforts for environmental protection.

### **New Rules To Bolster Water Quality Standards**

HK3108023789 Beijing CHINA DAILY  
in English 31 Aug 89 p 3

[By staff reporter Zhu Baoxia]

[Text] New rules and regulations to meet State standards on treating water and preventing its pollution will be in force next month, CHINA DAILY has learned from the State Environmental Protection Bureau.

According to Zhu Xingxiang from the pollution prevention division of the bureau, the series of regulations drawn up by the State Environmental Protection Bureau and approved by the State Council, give detailed explanations of the State law on prevention and treatment of polluted water. The law has been in effect since 1984.

The new regulations require users to obtain a permit to discharge waste water into lakes and rivers. Currently, about 37 billion tons of industrial and residential waste



water is poured into rivers, lakes and seas annually, and more than 80 percent of its is discharged without any treatment.

Water in a stretch of the Grand Canal (from Hangzhou to Beijing) in Jiangsu Province has turned black and bad-smelling, and aquatic life has all but disappeared.

More than 180 of the country's 8,000 paper-making plants are pouring contaminated water into sources of drinking water.

Waste from the 800 paper makers in Sichuan Province has affected more than 1,400 large and small rivers.

And the bureau has received reports on infections caused by drinking contaminated water.

The regulations say that all departments concerned should include water environmental protection work in their plans for the development of the economy.

Agencies and enterprises that plan to discharge waste into water should first apply to the local environmental protection departments for a waste-discharge registration form.

A discharge permit will only be given to those that pour less waste into water than the maximum allowed by both State and the local governments.

Units surpassing these standards will have to correct their procedures.

All water pollution accidents should be reported within 48 hours to the local environmental protection departments, telling when, where and how the accident happened, as well as the amount of discharged waste, economic losses and individuals hurt in the accidents.

#### **Plant Converts Ferromanganese Slag Into Concrete**

*OW3108015889 Beijing XINHUA in English  
0814 GMT 30 Aug 89*

[Text] Beijing, August 30 (XINHUA)—Today's "GUANGMING DAILY" reported the Xinyu iron and steel plant in Jiangxi Province has developed a way to make concrete with heavy ferromanganese slag instead of sand and gravel.

In ten years of experiments, the largest ferromanganese producer in China tested the chemical composition, physical and dynamic function and thermal stability of heavy ferromanganese slag and successfully used it to make concrete, build highway foundations and as railway ballast.

This development could save the 2.18 million yuan spent annually on the construction of slag piling facilities and 10,900 square meters of land.

Since 1963, slag from the plant has already covered 490,000 square meters of land. It turns out 300 cubic meters of slag a day.

The plant can utilize 100,000 cubic meters of heavy ferromanganese slag a year.

The Jiangxi Provincial Metallurgical Department has applied to the Ministry of metallurgical industry for a technical advance award.

#### **Statistics Show Peasants Farming Success**

*OW3108032589 Beijing XINHUA in English  
1406 GMT 30 Aug 89*

[Text] Beijing, August 30 (XINHUA)—The Chinese peasants have in the past 40 years created tremendous wealth for the country and they feed nearly a quarter of the world's population on less than seven percent of the world's total arable land.

Statistics recently released by the State Statistics Bureau show that from 1952 to 1988 Chinese peasants sold to the state 2.153 billion tons of grain, 80.62 million tons of cotton, 59.82 million tons of vegetable oil, 3.33 billion live pigs, 25.73 million tons of eggs and 81.95 million tons of aquatic products.

Farm and sideline products, as well as processed agricultural products, make up 80 percent of the country's means of subsistence, according to the statistics.

Since 1979, when they started to step onto the path of prosperity, Chinese peasants have opened up broad markets with great potential for the development of the country's industry.

Rural retail sales increased 4.2 times in 1988 over the figure for 1978, an average annual rise of 17.9 percent. By 1988, rural China had 870,000 large and medium-sized tractors and 590,000 trucks, the statistics show.

#### **Rural Clinics Combat Crop Diseases**

*OW3008203889 Beijing XINHUA in English  
1445 GMT 30 Aug 89*

[Text] Yinchuan, August 30 (XINHUA)—"Clinics" specializing in treating crop diseases are springing up across China's rural areas.

According to officials from the country's agricultural departments, more than 1,000 "crop clinics" now offer services to farmers.

These clinics are set up at rural grass-roots units or by supply and marketing cooperatives, or agricultural supply companies.

The number of service personnel varies from two or three to around a dozen. They provide paid services to farmers.

The Wuzhong City Agricultural Supplies Company in northwest China's Ningxia Hui Autonomous Region set up a "crop clinic" in 1986. At first it only taught farmers how to use pesticides, but now it has grown into a fully

fledged "crop clinic," complete with services ranging from prevention and curing of plant diseases to technical consultancy and sales.

Jin Yuguo, superintendent of the clinic, said that the supply and marketing co-operatives in China used to sell farm chemicals only, giving no guidance to farmers as to how to use them. Some farmers bought the wrong chemicals or did not know how to use them properly.

Every day, the crop clinic in Wuzhong City treats more than 100 "patients" and the business income comes to 500 to 600 yuan.

Statistics provided by relevant departments indicate that in the past, although the country spent an annual amount of up to two billion yuan on farm chemicals, the lack of guidance in using them resulted in over 10 billion yuan of agricultural losses.

#### **State Council Circular Calls for Cotton Purchase**

*OW3108102589 Beijing XINHUA Domestic Service  
in Chinese 1412 GMT 26 Aug 89*

["Local Broadcast News Service"]

[Text] Beijing, 26 Aug (XINHUA)— The State Council recently issued a circular calling on all provincial, autonomous regional, and municipal people's governments and the various State Council departments to step up cotton purchase work for 1989 to ensure that all cotton purchase contracts for the year are fulfilled.

To make sure cotton purchases will be carried out well, the State Council set forth the following eight-point requirements in the circular:

1. Effectively strengthen leadership over cotton purchase work.
2. Step up galvanizing propaganda work and ideological and political work among the peasants.
3. Supply and marketing cooperatives at all levels must do a good job in organizing cotton purchases. They must persist in the practice of zoning and designating respective purchase points and in scheduling the specific times for purchase at the specific amounts stipulated in the respective contracts.
4. Make every effort to ensure the availability of a sufficient amount of purchase funds and strictly forbid the practice of issuing "IOU's."
5. Resolutely implement the State Council's decision to centralize the purchase and sale of cotton at the supply and marketing cooperatives and no cotton market should be opened.
6. During the purchase season, the State Council will send "mobile cotton-purchase inspection groups" mainly to the cotton-growing areas in between neighboring provinces to carry out inspections and handle problems there.
7. All localities must report to their supervisors the exact amount of cotton purchased by them without any coverups.
8. This being the first year to practice the system under which cotton transfer in or out of a locality is done on a contract basis, all principal cotton-growing areas must meet the target for the amount of cotton transferred from their areas in accordance with the time and quantity specified in the state plan. The sale of the retained amount of cotton should also be done in accordance with the relevant state policies.

### East Region

#### ANHUI RIBAO Stresses Ideological Work

OW2908154889 Hefei ANHUI RIBAO  
in Chinese 7 Aug 89 p 1

[Commentator's article: "We Must Not Discard the Fine Tradition of Ideological and Political Work"]

[Text] To attach importance to ideological and political work is a fine tradition of our party. It also represents an extremely important experience of ours in surmounting countless obstacles and difficulties and winning great victories in revolution and construction. Whether it is necessary or not to seriously strengthen ideological and political work in the new historical period is a question of vital importance that will have a bearing on whether or not there will be peace and stability in the country for a long time to come and whether or not the drive for socialist modernization will be carried out smoothly.

Our party has built itself up and thrived on ideological and political work. The reason we were always able to display strong vigor in the past, however weak we were and whatever difficulties we encountered, was precisely because we had Marxist and Communist confidence, a common ideal, and iron-clad discipline. As early as in the period of the second revolutionary civil war, our Red Army was able to remain undaunted despite repeated setbacks and to grow stronger as it fought on. One of the main reasons it was able to do so was because of its practice to "establish party branches at the company level" and because it practiced the system of installing party representatives and establishing political departments in the Army. Relying on this powerful and effective revolutionary political work in the Red Army, our party was able to heighten the political consciousness among the Red Army soldiers and inspire the cadres and fighters to display a revolutionary spirit. During the War of Resistance Against Japan, our party launched a rectification campaign against the widespread petty bourgeois ideas and work styles which appeared in the disguise of Marxism. This was a movement to carry out universal education in Marxism within the whole party. It enabled the comrades in the whole party to master the skill of using the Marxist stand, viewpoints, and methods to deal with an issue; and to overcome petty bourgeois subjectivism, sectarianism, and the work style represented by stereotyped party writings. The result of this movement was an unprecedentedly united party. It can be said that, without the ideological conditions made available by the Yanan rectification campaign, the great victory in the War of Resistance Against Japan and the War of Liberation would not have been possible.

As Comrade Deng Xiaoping pointed out recently, the gravest mistake over the past decade lies in education; namely, the weakening of ideological and political education among all people. On this, he stressed in particular the serious mistake of neglecting ideological and political education in the new era. The facts surrounding

the development of recent student unrest into turmoil and then to the counterrevolutionary rebellion in Beijing have thoroughly proven the correctness of Comrade Xiaoping's exposition. For a given period of time, we failed to fully recognize the protracted and serious nature of the struggle in the ideological realm and our long-term, complex struggle with the bourgeoisie at home and abroad for winning over the younger generation. As a matter of fact, conducting ideological and political infiltration against China and attempting to subvert the socialist system have never been out of the minds of some Western capitalist countries, while some diehard advocates of bourgeois liberalization in the country have never ceased to slander the socialist system, trumpet capitalism, and corrode the minds of the younger generation. However, Comrade Zhao Ziyang, who was in charge of the work of the party Central Committee, took a passive attitude toward upholding the four cardinal principles and opposing bourgeois liberalization, thus slackening ideological and political work. What is worse, he failed to educate the vast numbers of cadres and Communist Party members, young members in particular, in upholding the basic ideology of the four cardinal principles, thus misleading some people in their political direction, depriving them of the ability to discern right from wrong and resist the inroads of decadent bourgeois ideas, and creating a good opportunity for instigators and plotters of turmoil and riots. We must always bear in mind this bitter lesson.

To reform and open to the outside world absolutely does not mean that we may slacken ideological and political work and ignore the role of the spiritual force. For a long period of time in the past, we unduly stressed the role of the spiritual force, thus leading to the extreme of omnipotence of spiritual force and repudiation of material and individual interests, which, of course, is wrong. By eliminating chaos, and restoring order, we have rectified "leftist" mistakes and attached importance to and implemented the principle of material incentive; that is, the principle of to each according to his work. This has given a strong impetus to harnessing the people's enthusiasm and stimulating the expansion of productive forces. However, the practice of going from one extreme to the other extreme and only paying attention to material benefits and bonuses without emphasizing political awareness and dedication will lead to money worship and the trend of putting money above everything, corrode people's soul, undermine human relations, and seriously affect party style and the general mood of society. In recent years, some people have paid little attention to ideals, ethics, and moral standards. They have also not cared about the future of the motherland. As a result, incidents involving people casting off personal and national dignity have often occurred. Man must always show some kind of spirit. An enterprise, a nation, or a country always requires moral support. A nation without moral support is hopeless. Thus, during the new historical period, we must link our efforts to strengthen ideological and political work with our

endeavor to implement the principle of pursuing material benefits. By means of strong ideological and political work, we must vigorously carry out education among the broad masses on upholding the four cardinal principles, on promoting patriotism and maintaining national dignity, and on displaying the spirit of self-reliance and hard struggle. We must also encourage people to work hard and dedicate themselves to realizing the common ideal of "rejuvenating the Chinese nation and realizing the four modernizations."

After summing up our experience, both positive and negative, in carrying out democratic revolution in China for the past several decades, we have drawn a conclusion that we must not throw away the party's fine tradition of doing ideological and political work and must not lose our political predominance. Naturally, we will be faced with the issue of making our ideological and political work during the new period keep pace with the new situation. Some of the contents and methods used in carrying out our ideological and political work in the past need improvement. However this improvement is aimed at strengthening such work and at raising the standards of such work. This totally differs from what Comrade Zhao Ziyang sought to "transform." His "transformation" was aimed at negating the party's fine tradition in carrying out ideological and political work and doing away with such work. To strengthen ideological and political work, we must correctly handle the relations between our efforts to carry forward what is old and our endeavor to create what is new. On the one hand, we must implement our party's fundamental principle, carry forward its fine tradition in developing ideological and political work for many years in the past, and sum up our experiences in this connection. On the other hand, we must also study the characteristics and laws in doing ideological and political work under the new situation in order to work out new methods and find new ways to cope with the new situation and meet new requirements. We must replace our methods of vague preaching with lively, scientific, and practical education. We must not only enthusiastically develop a propaganda campaign but must also take vigorous actions to win the confidence of the people and make our ideological and political work more convincing by showing concern over the weal and woe of the people and performing actual deeds to resolutely fight corruption.

#### **Diseases, Insects Plague Anhui Crops**

OW2708002889 Hefei Anhui Provincial Service  
in Mandarin 1100 GMT 11 Aug 89

[From the "Provincial Hookup" program]

[Text] With the help of the weather, plant diseases and insect pests are currently plaguing our province's autumn crops on a large scale. Particularly harmful are bacterial blight of rice, rice leaf roller, bean aphids, and paddy locust. On 10 August, the provincial government issued an emergency circular requesting all localities to

pool their resources to tackle this problem in a timely manner so as to save the crops.

The circular asked local governments at all levels to attach great importance to the task of preventing and controlling plant diseases and eliminating pests by making it the central task of agricultural production. The local governments are asked to organize forces in all spheres, mobilize the masses, and combine traditional and modern methods to reduce to the minimum the losses caused by plant diseases and insect pests. They should closely monitor the pattern of occurrence of plant diseases and insect pests so as to predict and prevent their outbreak. All localities should organize agrotechnicians to go to fields right away to give technical guidance and service and conduct on-the-spot training. The supply and marketing, agricultural machinery, transport, and other departments must guarantee the smooth supply and delivery of agricultural chemicals and equipment. It is necessary to introduce a strict system of responsibility according to which leaders take responsibility for their assigned work with regard to the task of preventing and controlling plant diseases and eliminating pests so that this will be carried out without any delay. Those whose dereliction of duties causes serious losses to the government will be held accountable.

#### **Fujian Official Stresses Marxist Education**

OW3108120389 Fuzhou Fujian Provincial Service  
in Mandarin 1000 GMT 21 Aug 89

[Text] This morning, He Shaochuan, member of the Standing Committee of the provincial CPC committee and head of the Propaganda Department under the provincial CPC committee, spoke at the opening ceremony of a seminar for directors of law offices and offices of moral education in colleges and universities. He emphatically pointed out: Firm and correct political direction should be given priority in all work of higher institutes of learning. We should take a clear-cut stand to do well in ideological and political work at higher institutes of learning. He said that teachers of Marxist-Leninist Theory and moral education at higher institutes of learning are not only educational workers and theoretical workers, they also work for the party; they should be the backbone force upholding the four cardinal principles. He said: At present, higher institutes of learning should fully avail themselves of the advantageous opportunity presented to us by the political struggle of quelling the rebellion and stopping the turmoil, and enhance the ideological education of Marxism and Leninism among students. In the new period, we should give students positive education in the matter of right and wrong. At theoretical classes, we should link teaching of theory with the practical situation, make students understand the truth, and help them clear up thinking. We should, by sticking to the center of education of upholding the four cardinal principles and of opposing the bourgeois liberalization, carry out education on the basic theory of Marxism-Leninism among students, conduct the education on revolutionary tradition and on socialism, and



teach the legal system. We must reverse the trend which has long existed at higher institutes of learning, that is, the stress on academic education to the negligence of moral education.

(Xu Huaidong), deputy head of the Propaganda Department under the provincial CPC Committee, said at the meeting: In the new period, higher institutes of learning should carry out a clear-cut propaganda education on opposing the bourgeois liberalization. Theoretical curriculum at higher institutes of learning should increase criticism of erroneous thinking. Through theoretical education, we should help students establish a Marxist view and outlook on life and world view.

### **Wu Guanzheng Views Jiangxi Enterprise Reform**

OW3108111489 Nanchang JIANGXI RIBAO  
in Chinese 9 Aug 89 p 1

[Speech delivered by Wu Guanzheng on 8 August 1989 at the forum to review deepening of enterprise reform, entitled: "Deepen Enterprise Reform, Improve Economic Results"]

[Excerpts] Comrades, the current forum is mainly aimed at studying and implementing the guidelines of the 4th Plenary Session of the 13th CPC Central Committee and Comrade Deng Xiaoping's speeches. While reviewing and exchanging our experiences in carrying out enterprise reform, we must do an even better job in upholding the four cardinal principles; continue to deepen enterprise reform and invigorate the enterprises, particularly the large and medium-sized state-run enterprises; develop the "double increase and double economy" campaign; and strive to fulfill this year's targets in economic construction.

We have carried out our reform program for the past ten years since the 3d Plenary Session of the 11th CPC Central Committee. Our decade-long economic reform has brought about economic and social changes in China and instilled vigor into China's socialist cause, scoring significant achievements in all fields. Jiangxi has undergone tremendous economic changes during the past ten years just like other parts of the country.

During 1989, we should act according to the arrangements made by the party Central Committee and the State Council; resolutely implement the guiding principle laid down by the 3d Plenary Session of the 13th CPC Central Committee; wholeheartedly improve the economic environment and rectify the economic order; combine our efforts in achieving stability, carrying out reform, and promoting developments; develop the reform program in the course of maintaining stability; and seek advancements in the course of making reform. We have done quite well in making reform and promoting economic developments in the province from January to June. Industrial output and financial revenue have been increased by 11.3 and 15.3 percent respectively. Price increases have slowed down. Industries in the province have delivered 8.6 percent more tax and

profits to the state, and the enterprises have retained 4.6 percent more profits at their own disposal as compared with the same period in last year. [passage omitted]

We must stress the need to invigorate large and medium-sized state-run enterprises in deepening enterprise reform. This is the foundation in developing Jiangxi's economy. Jiangxi can steadily develop its economy only when large- and medium-sized state-run enterprises are well developed and their role brought into full play.

How can we deepen our enterprise reform? As seen from the actual situation in the province, I like to discuss the following issues with everyone here:

1. We must continue to develop a diversified economy with the system of public ownership as the core.

Since the implementation of the reform and open policy, Jiangxi has developed its economy on the basis of the system of public ownership, while encouraging the development of individual economy, private economy, the development of Chinese-foreign joint ventures, cooperative enterprises, and enterprises run exclusively with foreign investment. Practice has indicated that the latter serves as a supplement needed for the development of the public-owned economy. To a certain extent, it is conducive to promoting production, invigorating the market, expanding employment, and satisfying the people's requirements for livelihood. From now on we must continue to uphold such policy. However, we must not forget that to follow the socialist road; we must regard the development of the public-owned economy as the core, attach great importance to consolidating and developing public-owned economy, and bring into full play the superiority of the public-owned economy. In this connection, all government departments should work hard to serve enterprises, help them overcome their difficulties, and refrain from making arbitrary demands for money, manpower, and materials on enterprises. Particular efforts must be made to help large and medium-sized enterprises overcome their difficulties and enhance their vitality. [passage omitted]

2. We must continue to improve and develop the contract system for enterprise management, leasing, shareholding, and issuance of bonds.

We have always differed in our opinions on the contract system for the past several years. We still differ in our opinions in this connection, when we study and discuss the documents of the 4th Plenary Session of the CPC Central Committee. I believe we have implemented the contract system for more than two years. We should have a basic point of view. One, over 90 percent of the enterprises have implemented the contract system. This indicates that the contract system is a better and realistic choice. Right now, there is no better system that can replace this contract system. Two, Jiangxi's economy has been steadily developed and there is considerable growth in revenue and profits which are retained by enterprises for their own uses and workers income. All this is

inseparable from the contract system. Three, some problems have cropped up in the course of implementing the contract system. We must earnestly solve these problems and continue to improve the contract system. [passage omitted]

3. We must continue to implement and improve the system under which a director or manager assumes full responsibility.

Right now, an important issue is how to improve relations among the party, the government, and the workers. We are still short of good experience in this connection despite the fact that this system has been implemented for three to four years in the province. We need to further explore ways to improve the system. Meanwhile, many enterprises have encountered some new problems, because they have not handled the relations among the party, the government, and the workers well. 1) The party's role to oversee and back up the factory director's work is weak. 2) Ideological and political work is weak. 3) Workers have not played a significant role in carrying out democratic management. Right now, we need to solve these problems by deepening enterprise reform and improving the system under which a factory director or manager assumes full responsibility. Factory directors must pay attention to developing the two types of civilization simultaneously. The party committee of an enterprise must assume responsibility in carrying out ideological and political work, while party secretaries must concentrate their efforts in strengthening party building and ideological and political work so that the party organization of an enterprise can do an even better job in overseeing and backing up the factory directors in doing their work. [passage omitted]

4. We must introduce and improve methods to link the total payroll of an enterprise with economic results.

The practice of linking payroll with economic results in an enterprise not only improves the contract system, but also sets up a mechanism to keep the system within bounds. Although we had done a great deal of work in promoting this practice, it is still not so popular. Methods to link the payroll with economic results are not so good. Under the influence of price policies, some enterprises are joyous, while others are sorrowful. Therefore, we must further improve the methods in linking an enterprise's payroll with economic results. [passage omitted]

5. We must wholeheartedly rely on the working class to run enterprises well.

The People's Republic of China is a socialist state of the dictatorship of the proletariat led by the working class and based on the alliance of workers and peasants. Therefore, we must wholeheartedly rely on the working class. We would have nothing without their enthusiasm, creativeness, and sense of responsibility as the masters of the country. We must emphasize the role of factory directors and managers in the course of carrying out

reform and production. However, we must also emphasize the role of the working class as the main force in carrying out reform and production; whip up their enthusiasm; and wholeheartedly rely on the working class. [passage omitted]

In addition to the aforementioned five points, we must help enterprises develop economic relations with other enterprises and merge with others in order to deepen enterprise reform. Enterprise groups must also continue to steadily develop themselves. Enterprises must pay attention to improving their management, coordinate with each other in promoting reform, and open up the market. Efforts must be made to extensively develop the "double increase and double economy" campaign, cut production costs, lower the consumption of raw materials, improve production quality, and make even greater contributions to preventing commodity prices from sharply increasing. We should continue to implement those measures and policies worked out by the provincial party committee and the provincial government in the past for the purpose of invigorating enterprises and carrying out reform as long as such measures and policies do not run counter to the guidelines laid down by central authorities. Revisions, if needed, should be done by the provincial authorities in a unified manner. In short, so long as the task of enterprise reform has been carried out well in our enterprises—particularly in large and medium-sized enterprises—and their management has improved, our enterprises will definitely be able to tap effectively their potential, continuously improve their economic results, quicken our pace in improving the economic environment and rectifying economic order, and reach a new height in developing our province's production and construction.

#### **Shandong's Jiang Chunyun on Punishing Corruption**

SK3108015389 Jinan DAZHONG RIBAO in Chinese  
26 Jul 89 pp 1, 3

[Text] On the afternoon of 25 July, a meeting to report the situation of how the organs directly under the jurisdiction of the provincial authorities punished corruption and investigated and dealt with law- and discipline-violating cases was held at the auditorium of the club of Nanjiao Guesthouse

Ma Zhongchen, deputy secretary of the provincial party committee, presided over the meeting. Jiang Chunyun, secretary of the provincial party committee, made a speech. Zhang Quanjin, Standing Committee member of the provincial party committee and secretary of the provincial Discipline Inspection Commission, made a report on the situation of punishing corruption and investigating and dealing with discipline- and law-breaking cases.

According to the information released at this meeting, in the first half of this year, discipline inspection departments throughout the province investigated and handled a total of 5,200 discipline violation cases committed by party

members; and meted out punishment to 4,620 party members, of whom, 581 were expelled from the party, 1,395 were placed on probation within the party, and 111 were dismissed from their party posts. Procuratorial organs at all levels placed more than 1,900 economic crime cases on file for investigation. Of the persons involved in these economic crime cases, 434 were state functionaries, and 349 were party members. Supervisory organs at all levels investigated and handled more than 2,300 cases of administrative regulations violations, and imposed punishment on 437 persons according to administrative discipline—of whom 1 was a cadre of the department level, 9 were cadres of the county and office levels, and 427 were cadres of or below the section level. Industrial and commercial departments throughout the province investigated and handled more than 13,000 cases of various kinds, imposed fines, and confiscated more than 16 million yuan. Of these cases, 323 were serious cases each involving 10,000 yuan or more, and 23 were cases each involving 100,000 yuan or more.

At the meeting, Comrade Jiang Chunyun dwelt on five issues with regard to firmly punishing corruption, and investigating and dealing with cases of breaking discipline and law.

1. We should fully understand the seriousness of corruption and the necessity of punishing corruption.

Comrade Jiang Chunyun pointed out: Viewing the cases reported at today's meeting, we can see that under the new situation of carrying out reform, opening to the outside world, and developing the socialist commodity economy, the key problem in corruption lies in the relationship between money and power. An extremely small number of people have taken advantage of the powers entrusted to them by the party and people to seek personal gain, taken bribes, and resold goods at profits; thus contaminating the body of our party and infringing upon the interests of the state. What has been reported at this meeting clearly shows the following three facts: First, there actually are instances of corruption within the party, and the cases of corruption indulged by an extremely small number of party members are very serious. Generally speaking, our party and government are honest and clean, and they are ready to serve the people. The overwhelming majority of party members and cadres are conscientious in doing their work, are honest in performing official duties, and have withstood the tests in ruling the country and carrying out reform and opening up. This must be fully affirmed. However, within the party and in the ranks of cadres, there actually is an extremely small number of persons—including some party-member leading cadres grasping practical powers to manage human, financial, and material resources—who abuse their powers to seek personal gain, take bribes, and lead a luxurious and degenerated life. These persons have undermined the reputation of the party and the government, the image of the party and the government in the minds of the people, and the relations between the party and the masses and between the cadres and the masses; thus producing an extremely

bad influence. "Nothing is more harmful than corruption, and nothing is more deserving than punishment." We must adopt powerful and effective measures to firmly punish corruption in line with the guidelines of the 4th Plenary Session of the 13th CPC Central Committee. Second, we have done a lot of work in punishing the corrupt and checking and handling party-discipline cases, and have made proper achievements in this regard. Over the last few years—particularly after the on-the-spot meeting of principal responsible comrades at the provincial, city and prefectural, and county levels on "upholding the party's purpose and maintaining administrative honesty" that was held in Changle County last January—we have conscientiously attended to the improvement of administrative honesty; strictly investigated and handled a large number of law-breaking and party-discipline cases closely in line with the improvement of the economic environment, the rectification of the economic order, and the struggle for checking the disturbances and stabilizing the situation; and played a positive role in ensuring the smooth progress of reforms and construction, and in stabilizing the situation of the province. However, we must clearly understand that the work of punishing the corrupt and checking and handling law-breaking and party-discipline cases was not carried out enough, and many problems still exist. Prominent problems are as follows: We have neither great determination nor effective measures to check and handle cases. In particular, we paid little attention to the major and appalling cases. The phenomena of imposing lenient penalty on law breakers and discipline transgressors still exist. In handling some cases, some used economic penalties as a substitute for punishment according to party discipline, administrative discipline, and law. These problems should conscientiously be solved in the future work. Third, only when we have determination to eliminate disturbances can we make a breakthrough in punishing the corrupt and in investigating and handling law-breaking and party-discipline cases. The struggle against corruption is arduous and complicated. The work of investigating and handling law-breaking and party-discipline cases is often obstructed by the practices of pleading for mercy for somebody and establishing personal relationships. There are great obstacles. To effectively punish the corrupt, we must be brave and fearless in facing difficulties. The organs and persons in violation of party discipline and state law should be investigated and handled strictly according to the regulations. The major and appalling cases should thoroughly be investigated and strictly handled. Only by so doing can we encourage healthy trends, eliminate evil trends, and realize a fundamental turn for the better in party style and administrative workstyle.

2. Party and government leaders at various levels should set an example and do several deeds to fill the party and the people with enthusiasm.

Comrade Jiang Chunyun said: In his recent speeches, Comrade Xiaoping repeatedly placed stress on punishing the corrupt. The 4th Plenary Session of the 13th CPC



Central Committee regarded punishing the corrupt as a task of importance and urgency, and placed it before the whole party. We must fully understand the important significance of the struggle against corruption, and clearly understand that whether we can thoroughly conduct the struggle or not is a great matter relating to the fate of the party and government, and to the success of reforms and opening up to the outside world. Party committees at various levels should truly grasp the work of punishing the corrupt and be determined to attend to it. We should pay firm attention to doing several deeds with which the masses have expressed concern with so as to promote the work of punishing the corrupt and maintaining administrative honesty. On 5 July, the provincial party committee held an enlarged Standing Committee meeting. The meeting decided to carry out five matters. To consciously carry out these five matters, the provincial party committee is going to work out measures to firmly attend to them. Reporting on investigating and handling cases today is a practical deed to further promote the struggle against corruption. According to the resolutions of the fourth plenary session and the arrangements of the provincial party committee, and in line with their actual conditions, the party committees and the governments at various levels across the province and all departments should work out effective measures for punishing the corrupt and carry them out.

3. We should give prominence to and concentrate our energies on investigating and dealing with the major and appalling cases.

Comrade Jiang Chunyun said: At present, the instances of corruption existing within the party concentratively manifest themselves on the several major cases which produce great impact and bring about harmful and grave consequences. These major cases are also the problems which the vast number of the masses complain about and are concerned with most, and which need urgent solutions. At the same time, concentrating energies on investigating and dealing with a number of harmful cases of corruption and severely punishing a group of criminals who earn the bitter hatred of the people will certainly enhance the confidence and courage of the masses in waging the struggle against corruption. At present, we should concentrate our energies on investigating and dealing with such cases as abusing powers to seek personal gain, taking bribes, reselling goods at profits, and building private houses in violation of laws and discipline. In particular, we should firmly investigate and deal with the serious law-breaking cases committed by party-member cadres. In investigating and dealing with the serious and appalling cases, we should adhere to the principle of dealing prompt and severe blows, and should actually make all the people equal before the law. Those who deserve punishment must be punished. On no account should we replace punishment with criticism and education, replace punishment according to the law with fines, replace punishment according to the criminal laws with the punishment according to party discipline and administrative discipline, and replace the investigation of individual responsibility with the investigation of responsibility of

collectives. In investigating and dealing with the major and appalling cases, we should implement the system in which leading cadres share the work of handling cases. The provincial party committee has now decided to have Standing Committee members of the provincial party committee, governor and vice governors of the province, secretaries of the provincial Discipline Inspection Commission, and leading comrades of the provincial Higher People's Court and the provincial People's Procuratorate assume responsibility for investigating and handling the 16 major and appalling cases, and to strive to complete these cases before the National Day. Responsible comrades of the various departments, commissions, general offices, and bureaus directly under the provincial party committee and the provincial government, as well as the various cities, prefectures, and counties, should all apply this method in investigating and handling the serious law- and discipline-violation cases of their own units, departments, and localities. We should arouse the masses to expose law-breaking cases and report them to the police. All departments and units should create conditions for the masses to expose and report law-breaking cases; should conduct conscientious investigations of cases according to the clues provided by the masses; and should impose serious punishment on criminals whenever their crimes are verified. We should pay attention to protecting the masses' enthusiasm for exposing and reporting cases by giving commendations and encouragement to those who contribute to exposing and reporting cases, and by giving serious punishment to those who retaliate against the persons exposing and reporting their crimes. At the same time, we should prevent the instance of lodging false accusations against innocent people, and those who have lodged false accusations against innocent people in an attempt to disturb the campaign of dealing blows to crimes should also be punished severely once their crimes are verified. Discipline inspection organs and supervisory and judicial departments at all levels should actually investigate and deal with the major and appalling cases under the leadership of party committees; should impartially enforce disciplines and laws; should handle cases in strict accordance with procedures, the party Constitution, and pertinent legal stipulations; and should actually pay attention to thoroughly exposing the facts of cases, giving accurate classification to cases, and giving appropriate punishment to cases; so as to ensure that the investigation and punishment of cases will stand up the judgment of history. Party and government departments at all levels should give positive support to the work of discipline inspection, judicial, and supervisory departments; and should help these departments solve practical problems in handling cases. Party committees should take a clear-cut stand to give protection and support to the cadres of discipline inspection, judicial, and supervisory departments who suffer from trouble and retaliation because they adhere to principles. Those leading cadres who have taken advantage of positions and powers to interfere with the handling of cases should be criticized and educated or be severely punished according to discipline in accordance with the seriousness of their cases. Journalist units should map out



plans to report those exemplary cases of opposing corruption and maintaining administrative honesty so as to inspire the people and party members and effect a basic turn for the better in party style, administrative style, and social atmosphere.

4. We should link the work of investigating and handling the major and appalling cases with the correction of unhealthy practices.

Comrade Jiang Chunyun pointed out: In viewing the actual conditions of the party, the corrosive elements, serious law breakers, and discipline transgressors amount to only a small number of party members and cadres in the party, but more party members and cadres are engaged in various unhealthy practices. However, the two categories are often entangled with each other. The development and spread of unhealthy practices can lead to corruption and degeneration. However, some corrosive elements often use unhealthy practices to cover up their criminal activities. At the time of investigating and handling the major and appalling cases, we should conscientiously correct various kinds of unhealthy practices in order to punish the corrupt, eliminate corrosive phenomena, and improve party style. The unhealthy practices about which the masses have many complaints at present principally are as follows: Some party members and cadres use public funds to give dinners and gifts, and indulge themselves in ostentation and extravagance. Some are guilty of corruption and bribery and observe the tenet that "I will not handle affairs for those who do not benefit me." Some seek private gains at public expense. Some are reckless in apportioning expenses, collecting fees and funds, and asking for "supports" and "sales commissions." We must be determined to correct various kinds of unhealthy practices; resolutely end the unhealthy practices of using public funds to give dinners and gifts and to indulge in ostentation and extravagance; and ensure not to handle affairs for those who give dinners and gifts and to handle affairs that should be handled for those who do not give dinners and gifts. Those who use public funds to give dinners and gifts should be made known to the public. Those whose cases are not serious should make criticism or self-criticism, and those whose cases are serious should be punished according to discipline. From now on, penalties should be imposed on those who accept receptions and gifts with public funds and on those who give dinners and gifts. But, it will be impossible to punish one side and award the other. Leading organs and leading cadres should take the lead in checking and correcting unhealthy practices. Leading cadres at various levels should take the lead in maintaining administrative honesty and in keeping themselves and their family members and children within discipline. Leading cadres should be the first to do what they ask others to do. We should strengthen the education on the party's purpose, arduous struggle, observing discipline, and abiding by law among party-member cadres so as to have them foster a thinking of serving the people wholeheartedly, carry forward the party's fine traditions and workstyle,

enhance the sense of discipline and consciously resist the influence of the corrosive ideas of the capitalist class. Party-member cadres of economic departments and enterprises should be honest in performing their duties, foster a practice of arduous struggle and administrative honesty, and must not make up any excuse to engage in unhealthy practices. Meanwhile, we should pay attention to setting up and improving regulations and systems, draw distinctions in accordance with the party's policies, and ensure the smooth progress of the work of punishing the corrupt and correcting unhealthy practices.

5. Discipline inspection organs and procuratorial and supervisory departments should conscientiously strengthen leadership and bring their functions into full play.

Comrade Jiang Chunyun stressed: The key to punishing the corrupt hinges on the leadership and its competence. Party committees at various levels throughout the province should regard handling, investigating, and punishing cases of corruption as a great matter regarding the implementation of the resolutions of the fourth plenary session, and place it on the work agenda. Top party and government leaders at various levels should personally attend to and join in the work, and leading comrades in charge of the work should engage in it. The struggle against corruption should be attended by and first begin with the leaders on the premise of each level taking responsibility for guiding and grasping the work of each lower level. The cadres managed by the provincial party committee who engage in corruption and unhealthy practices should directly be kept within discipline by the provincial party committee. The prefectural and city party committees should keep the cadres at the county level within discipline. Those who have done a good job should be commended and encouraged, and those who fail to effectively attend to the work should be criticized and assisted. Leaders who do not conscientiously solve problems, and even help cover up weakness, should take the responsibility; and those whose cases are serious should be punished according to discipline.

Discipline inspection organs and procuratorial and supervisory departments at various levels should conscientiously enforce their duties, bring their functions into full play, and make efforts to do a good job in punishing the corrupt and in investigating and handling cases. We should persist in principles; be brave in waging the struggle against law-breaking and party-discipline activities, eliminating obstacles, and standing up against the practices of pleading for mercy for somebody; and not be afraid of handing out punishments. We should be good at handling various kinds of contradictions under complicated circumstances, be familiar with and grasp relevant policies and regulations, and improve the work of handling cases. Meanwhile, we should fully believe in and rely on the party organizations at various levels and the broad masses of the people to jointly investigate and handle cases. Discipline inspection organs and procuratorial and supervisory departments at various levels should work in close cooperation with each other and bring into full play their role as an integrated supervisory system.

Comrade Jiang Chunyun concluded: Punishing the corrupt and investigating and handling law-breaking and party-discipline cases is an extremely important, arduous, and complicated task. There are many favorable factors for conducting the work at present. Only when our leaders pay attention to it, does the whole party go into action; and when we rely on the masses and make up our minds to unswervingly and solidly attend to it, the corrosive phenomena can certainly be eliminated and the party style can certainly be improved. In line with the guidelines of the fourth plenary session and the requirements of the provincial party committee, and according to the different actual conditions, all units should firmly attend to the work of punishing the corrupt and investigating and handling law-breaking and party-discipline cases so as to live up to the expectations of the party and the people.

Present at the meeting were more than 500 people, including Zhang Quanjing, Lu Maozeng, Lu Hong, Song Fatang, Zang Kun, Meng Zhaoju, Wu Minggang, Yuan Bo, Tian Jian, Zhang Zongliang, Han Xikai, and Lin Luotian, responsible comrades of the provincial leading group for punishing the corrupt; secretaries of the leading party groups (party committees) and heads of the discipline inspection organs (discipline inspection commissions) of the provincial-level departments; secretaries of the party committees of the provincial-level organs; and principal responsible persons of the provincial-level democratic parties.

### Zhejiang Issues Six-Month Auditing Results

OW310805589 Hangzhou Zhejiang Provincial  
Service in Mandarin 0900 GMT 20 Aug 89

[Excerpts] In the first half of this year, the auditing organs at all levels in the province examined the account books of 2,460 units and discovered illegal gains totaling 304 million yuan, 56.84 million yuan of which had been turned into the state treasury by the end of June. The various localities also focused attention on a number of serious cases of waste and important cases pertaining to violations of financial and economic regulations. They cracked 43 discipline violation cases that amounted to more than 1 million yuan each. In addition, they also uncovered six cases of embezzlement and bribery involving more than 10,000 yuan each. At the same time, auditing departments in the various localities persisted in the principle of combining auditing with assistance to help enterprises upgrade financial management and accounting work to stop [words indistinct], increase income, practice economy, and enhance economic results. [passage on Hangzhou City omitted]

The province also carried out auditing work in connection with agricultural production, particularly grain production and the building of vegetable gardens. They criticized [words indistinct], thereby improving the management and use of this fund.

### Central-South Region

#### Probe Rumored for Guangdong Vice Governor

HK0109063989 Hong Kong MING PAO in Chinese  
1 Sep 89 p 2

["Special Dispatch": "It Is Said That Vice Governor Yu Fei Is Being Investigated for Corruption"]

[Text] According to news from Guangzhou, Guangdong Province, which has always gone ahead of other provinces in China's reform program, is now puzzled by corruption cases committed by officials in high positions. Sources here said: The 37 major cases now in the hands of the Guangdong Provincial Department of Supervision involved six cadres at the departmental (city) level and 15 cadres at the county (section) level. Yu Fei, executive vice governor in charge of the province's foreign economic relations and trade sector, was heavily rumored here to be investigated for corruption and bribetaking.

It has been reported that the main reason Yu Fei would be investigated was that according to the information of the Guangdong Provincial Department of Supervision, foreign economic relations and trade departments in Guangdong Province were seriously infested with corruption, and a large number of cadres embezzled public money and took bribes while engaging in economic relations and trade activities with other countries. Among the cadres at the departmental (city) level who have already been investigated and handled were Xu Yunian, director of the Guangdong Provincial Foreign Economic Relations and Trade Commission; Zhong Zhuoxun, director of the Guangdong Provincial Second Light Industrial Department; and Liu Zhonggaou, deputy general manager of the Guangdong Provincial International Economic and Technological Cooperation Company. The charges for Xu Yunian were that, after assuming the post as director of the Guangdong Provincial Foreign Economic Relations and Trade Commission, he misused official power for selfish ends, sought pleasure, and squandered and wasted state property as he pleased. Details of his case have not been made public so far. Zhong Zhuoxun was suspected of being involved in privately sharing the 50,000 Hong Kong dollars donated by a Hong Kong businessman and privately receiving a gold necklace and bracelet given to him by the wife of a Hong Kong businessman as gifts when he went to Hong Kong to discuss business with Hong Kong businessmen last year. Liu Zhonggaou was suspected of being involved in receiving without permission a HK\$290,000 sales commission from a Hong Kong businessman and HK\$30,000 in rebates from a Macao businessman.

The most important item on the agenda of the ninth session of the Standing Committee of the seventh Guangdong Provincial People's Congress, which is now being held in Guangzhou, is to hear as well as examine and

discuss the report on punishing corruption and strengthening the building of clean government. Yu Bo, director of the Guangdong Provincial Department of Supervision, disclosed at the meeting: In the first half of this year, supervision organs in the province accepted and handled 2,142 submissions of leads for cases, of which 897 cases had been placed on file for further investigation and prosecution and 685 cases were completed. A total of 758 administrative working personnel were given administrative disciplinary punishment directly by or under the proposals of supervision organs. Among them, six were cadres at the county or section level.

According to Yu Bo, in the second half of this year, Guangdong Province will investigate and handle a number of big tigers. The provincial Supervision Department has 37 major cases at hand for investigation and prosecution, including major cases of embezzlement and bribetaking by party and government cadres involving money totaling more than 1 million yuan each.

Mr Yu said: A responsibility system has been set up for handling these cases. In the latter half of this year, the department will concentrate forces on investigation work, will have solved 14 cases before October, and will strive to clear up all cases in the fourth quarter of this year. After all cases are wound up, their results will be made public.

Moreover, according to Yan Sheng, director of the Guangdong Provincial Auditing Bureau, from last June to this June, 10,200 units were audited all over the province and the money which was proved through investigation to be gained in violation of the law and discipline amounted to 900 million yuan or more, and 103 units involved such money totaling 1 million yuan each.

### Guangdong Considers Economic Crime Reports

*HK0109080389 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 31 Aug 89*

[Text] The ninth meeting of the seventh provincial People's Congress Standing Committee this morning listened to a report by the provincial People's Procuratorate on how the province's procuratorial organs had fought corruption and bribery, and also heard report by the provincial Higher People's Court on what our province had done in cracking down on economic crimes.

In his report, Xiao Yang, provincial People's Procuratorate chief procurator, pointed out: In the past few months procuratorial organs at all levels of the province have achieved certain results in fighting corruption and bribery in close cooperation with the departments concerned. This is indicated by the large number of criminal offenses of corruption and bribery that have been placed on file for investigation and prosecution, by a certain number of serious and major criminals of corruption and bribery who have been uncovered, and by a group of serious economic criminals of corruption and graft who have of their own accord surrendered themselves.

In his report, Mai Chongkai, the provincial Higher People's Court president said: This year the people's courts at all levels of the province have accepted and heard 687 economic criminal cases, 550 of which have been tried, accounting for 80.78 of the total. In trying those economic criminal cases, they paid adequate attention to serious and major cases, and severely punished serious economic criminals according to law and without mercy.

### Guangxi Broadcast Officials Hold Meeting

*HK0109075789 Nanning Guangxi Regional Service in Mandarin 1000 GMT 31 Aug 89*

[Excerpt] The regional Broadcasting and Television Department held an urgent meeting of broadcasting and television bureau chiefs at the prefectural and city levels from 28 to 29 August, conveying and implementing the spirit of the national and regional telephone conferences on setting things right in the marketing of books, newspapers, and audio-visual tapes, and discussing and assigning work to further straighten out the marketing of audio and video tapes.

Regional Broadcasting and Television Department Director (Zhao Shencai) and Deputy Directors (Wei Jiayi) and (Mo Zhenying) attended and addressed the meeting.

The meeting held that in the past few months, broadcasting and television departments throughout the region took an active part in the work of setting straight the marketing of audio and video tapes and achieved some initial results in this field of work. However, problems in the marketing of audio and video tapes have not been solved thoroughly and some problems are still very serious. It is, therefore, necessary to continue to carry out the work in depth, with redoubled efforts, and according to the demands set by the central and regional authorities. [passage omitted]

### Hunan Leaders Attend Airport Opening Ceremony

*HK3108065589 Changsha Hunan Provincial Service in Mandarin 2200 GMT 29 Aug 89*

[Excerpts] Changsha's Huanghua Airport—a key state project about which the people of the whole province are concerned—has been built and approved by the State Examination Committee for Projects after more than 3 years of hard work since construction started on 26 June 1986.

Yesterday afternoon, a grand but simple maiden-flight ceremony was held at the airport, with numerous colorful banners flying and in a festival atmosphere. Responsible comrades from provincial party, government, and military organs present at the ceremony were Xiong Qingquan, Liu Zheng, Chen Bangzhu, Sun Wensheng, Jiang Jinliu, Dong Zhiwen (Xia Zhanzhong), (Sun Liquan), (Li Jianguo), (Yang Yizhi), Shi Xinshan, (Huang Daofu), (Zhou Zheng), (Xu Haitao), (Liu Yanan) and (Xue Jinhu), and Changsha's Mayor Wang Keying. Also



attending were Ke Deming, deputy director of the China Civil Aviation Administration and chairman of the State Examination Committee for Projects; (Xu Xueshi), a responsible comrade from the Secretary Bureau of the State Council General Office; and representatives from the People's Liberation Army, different provinces and cities, and other civil aviation administrations. [passage omitted]

Huanghua Airport, located on the eastern outskirts of Changsha City, is classified as one of the state's first grade airports. Its present maximum rate of passenger flow per day is over 400, and it currently provides services for 10 domestic air routes and for 23 future routes. By 1990, the airport will be able to accept 360,000 passengers a year and handle up to 8,400 tons of cargo. [passage omitted]

#### **Henan Advanced Collectives, Workers Meeting Ends**

HK0109095589 Zhengzhou Henan Provincial Service  
in Mandarin 1130 GMT 31 Aug 89

[Excerpts] The provincial commendatory meeting of advanced collectives and model workers which had lasted 2 and 1/2 days successfully concluded in the provincial people's hall this morning. Attending today's closing ceremony and sitting in the front row on the rostrum were Yang Xizong, Cheng Weigao, Zhao Di, Yao Minxue, Hu Xiaoyun, Lin Yinghai, Lin Xiao, Han Jingcao, Dong Guoqing, Zhang Zhigang, Hou Zhiying, Qin Kecai, Song Zhaosu, (Liu Baoyang), Hu Tiyan, Yu Youxian, Liu Yuan, Zhao Wenfu, and Song Yuxi.

At 1000 [0200 GMT], after Vice Governor Qin Kecai announced the beginning of the closing ceremony, Liu Yuan announced the namelist of the advanced collectives. After that, the meeting awarded prizes to the representatives of the 76 advanced collectives and 681 model workers amid solemn and warm atmosphere. The representatives of the advanced collectives and model workers went up to the rostrum in proper order to receive citations, certificates, badges, and bonuses from provincial party, government, and army leaders. [passage omitted]

After the prizes were awarded, on behalf of the advanced collectives and model workers, (Wang Delin), provincial model worker, read a letter of proposal to all people throughout the province.

Subsequently, Vice Governor Hu Xiaoyun delivered the closing speech to the meeting. [passage omitted]

The meeting finally concluded amid the majestic "Internationale."

#### **RENMIN RIBAO on Henan Party Building**

HK2908143989 Beijing RENMIN RIBAO in Chinese  
21 Aug 89 p 5

[Article by Zhong Jiazhi (6988 1367 2535), Zhao Zhuming (6392 0031 2494), and Li Demin (2621 1795 3046): "'We Still Have to Rely on the Party Branches'—Random Notes on the Work of Building Party Organization in Xinyang Prefecture, Henan Province"]

[Text] What is the condition of the grass-roots party organizations in the countryside? Can the party's leadership be "diluted"? With these questions in mind, we visited some rural party branches in Huangchuan, Shangcheng, and Guangzhan Counties in Xinyang Prefecture, Henan Province.

#### **"After Production Is Contracted to Households, We Still Have to Rely on Party Branches"**

A few years ago, many people had a muddled idea: "Since production is contracted to households, party branches will be of no use." In some localities, party members were regarded as being little different from ordinary people, but "only had to pay the party membership fee;" and after the output contract system was adopted, some party members did not feel like paying the party membership fee.

In view of this situation, the Xinyang Prefectural CPC Committee have endeavored to consolidate the party organizations in the past few years. Party members in the rural villages were evaluated, assigned to help some neighboring households, and encouraged to take the lead in overcoming poverty and becoming rich. Since late last year, 333 party branches—which were almost disintegrated and stopped—have had their activities rectified, and the party's leading role in the country has been further brought into play. Facts show that "after production is contracted to households, party branches are still indispensable." The per capita income in Yangang Village, Huangchuan County, was merely 60 yuan in 1979, and it increased to 560 yuan in 1988, electric power is now available to the villagers; new roads and school houses have been built; and there are also factories and hostels for the elderly. The village has also stopped levying public welfare funds, thus lessening the burdens on the peasants. Without the leading role of the party branch in the village, it would not be possible to make all these achievements.

Party branch Secretary Li Yongjiu is the "mainstay" of the 3,100 villagers and is also the leader of party members. In the village, except for the six in advanced age or in poor health, all the 46 party members assume certain leading responsibilities as heads of the villager groups; managers of the brickyard, the flour mill, or the tree farm owned by the village; wardens of the forests and irrigation works; bookkeepers; or purchasing agents. Forest warden Huang Chuanping looked after 7,000 mu of trees and lived in the mountains all the year round. He was too tired and died on the hill slope at the age of 34.



### **An Advanced Party Branch Needs a Good Secretary**

In Xinyang Prefecture, in each of the villages which have achieved marked results in changing the poor conditions, there must be a solid party branch. However, in the villages where the party branch became lax and paralyzed, most villagers remained poor; although a number of "able people" and "10,000-yuan households" might emerge, it was hard to succeed in building roads, bridges, irrigation works, collecting agricultural taxes, and enforcing the family planning regulations there.

An advanced party branch must have a secretary who is willing to dedicate himself to the public interests at the expense of his personal interests. Tang Liquan, party branch secretary in Lidian Village, Luoshan County, is a well-known expert in raising chickens. He made an annual profit of 13,000 yuan a few years ago. He was also a correspondent student of an agriculture university. In 1986, he was elected to be party branch secretary, and he was then too busy to raise chickens. He could not continue his correspondence courses with the university, nor could he continue to make big money. However, he had no grievances, and led the masses to master advanced techniques for raising pigs, cattle, and poultry. He also organized the villagers to develop such handicrafts as drawnwork and embroidery. In 1988, more than 200 households in the village were specializing in raising pigs, and each household raised an average of 3.7 pigs. The village made a per capita income of more than 300 yuan from raising pigs.

Li Youjin, party branch secretary in Chengang Village, Guangshan County, led the villagers in running a brickyard. The busy season for harvesting rice came at the crucial juncture of the construction project. In order to prevent the brickyard from suffering losses, the secretary worked day and night in the brickyard and found no time to gather in the rice from his own fields. As a result, his family lost more than 2,000 yuan. In another case, the village introduced a kind of improved rapeseed. In order to reduce the risks for other villagers, Li Youjin first sowed the seeds in the fields contracted to his household. Unfortunately, the seedlings were all destroyed by the cold in early spring, and he suffered a loss of more than 800 yuan. The party branch secretary held that he should be the first to suffer losses so that the masses may gain more benefit.

### **"The Masses Will Follow the Example of Party Members, While Party Members Will Follow the Example of Cadres"**

Party branch secretaries are party workers with their "office" in the field. No salary is paid to them, and no administrative rank is conferred on them. Having bantered about their position, they are "state cadres in an extra rank" and are "sesame officials" in real terms. However, they play a crucial role in deciding the destiny of the several hundred households and the several thousand people in a village. Peasants tend to find the image of the party from the behavior of these party members and party cadres, and to subject themselves to the party's

leadership through these party members and cadres living with them. If the party members and the party branch secretaries do not meet the set requirements, the party's leading role will not be brought into play in the countryside.

We found that the several advanced party branches we visited had all formulated strict systems. For example, the party branch in Yangang Village, Huangchuan County, laid down some rules for the branch cadres: First, they are not allowed not to dine in the village office for non-public purposes; second, they are not allowed to borrow money from the village committee; and third, they are not allowed to spend public money on dining in a restaurant when running public errands. The party branch in Xiamahe Village also laid down a rule: Village cadres are not allowed to arrange feasts as part of wedding or funeral ceremonies, and those who violate this rule will be fined 30 yuan as a village cadre, or 20 yuan as a party group head or a villager group head.

It was not easy to actually enforce some rules, and they were resolved to put the rules into practice. Chen Wanlin, party branch secretary in Xiamahe Village, did not arrange any feast nor receive any gift when he married two sons and one daughter, and has held a funeral for one old person in his family in the past few years. Li Yongjiu, party secretary in Yangang Village, only bought some cigarettes and sweets for his son's wedding. In Oulou Village, Shangcheng County, the work of family planning remained in a backward condition for a long time. The main reason was that the party branch secretary in that village did not take the lead in exercising family planning. With the support of the county party committee's Organizational Department and the township party committee, the village party branch held several meetings to criticize the mistake of the branch secretary, who was then deeply moved, and who then persuaded his daughter-in-law to undergo a sterilization operation. After that, a new situation in family planning was created in that village.

### **Henan Leader Calls For Criminal Confessions**

*HK0109084389 Zhengzhou Henan Provincial Service in Mandarin 2200 GMT 30 Aug 89*

[Recorded talk by (Sun Renqing), director of the provincial Supervisory Department, entitled: "Urge the State Organ Working Personnel Guilty of Graft and Offering Bribes To Account for Their Malpractices in Order To Be Dealt with Leniently"]

[Text] [Begin recording] Comrades! After the Supreme People's Court and Supreme People's Procuratorate issued a circular on 15 August this year that the criminals guilty of graft, receiving bribes, and profiteering must surrender themselves to administrative and supervisory organs and the other departments concerned, and make a confession within the specified period, the State Ministry of Supervision issued a circular on 19 August stating again that the state organ working personnel

guilty of graft and bribery must account for their malpractices in the specified period on their own initiative. According to the guidelines of these two circulars, our administrative and supervisory organs are resolved to fulfill their duties seriously. At present, according to demands of the State Ministry of Supervision, administrative and supervisory organs at all levels throughout the province have made arrangements for people to make a confession, and have worked out a plan for the work of reporting and accepting cases and receiving informants. Moreover, those who go to the administrative and supervisory organs and the other departments concerned to account for their malpractices on their own initiative before 31 October 1989 shall be dealt with leniently according to the guidelines of the circulars. Here, I solemnly announce several specific views on dealing with them leniently:

1. Those guilty of graft and bribery surrendering themselves to the administrative and supervisory organs and the other departments concerned, making a confession within the specified period, and being absolved from punishment and prosecution by a judiciary organ—who should be dismissed, may not be dismissed. Those who should be dismissed or kept on under observation may be removed from their posts or demoted. Those who should be dismissed may be demoted.

2. If those guilty of graft and receiving bribes—against whom administrative actions should be taken into account for their malpractices—actively surrender their ill-gotten gains on their own initiative within the period of time specified by the circulars, and resolutely render meritorious service, their punishment may be mitigated leniently or remitted.

3. According to article 9 of the provisional regulations on administrative actions against the state administrative organ working personnel guilty of graft and bribery, if those, against whom administrative actions should be taken for offering a bribe, account for their malpractices on their own initiative within the period of time specified by the circulars, and resolutely render meritorious service, their punishment may be mitigated leniently or remitted.

4. Those directly responsible people in charge and the other personnel of the state administrative organs guilty of offering and receiving bribes, who make a confession of their crimes on their own initiative and vigorously surrender their ill-gotten gains within the period of time specified by the circulars, may be leniently punished or absolved of punishment.

5. While administrative organs and supervisory organs at all levels are investigating and dealing with the cases of graft and bribery, if those under investigation make an accurate confession and vigorously surrender their ill-gotten gains within the period of time specified by the circulars, or resolutely render meritorious service, they may be suitably and leniently punished or absolved from punishment with reference to the foregoing stipulations.

6. Within the specified period of time, those guilty of taking advantage of their power to pursue private ends [passage indistinct].

I here solemnly announce and advise that the state organ working personnel, [words indistinct], and leading members must clearly understand the situation, [words indistinct], get rid of the idea of leaving things to chance, and resolutely struggle against crimes and wrong behavior. Once those who do not account for their malpractices or destroy evidence; [words indistinct] and transfer money and goods stolen, embezzled, or received in bribes; [words indistinct]; retaliate upon the departments giving information and the personnel dealing with the cases; and interfere with and hinder the investigation of the cases are discovered, they will be severely punished. [sentence indistinct] We earnestly welcome party and government organs at all levels, mass organizations, and the masses to vigorously support and assist the administrative and supervisory work.

Moreover, those who know that state administrative organs, their working personnel, or leading people of the enterprises and institutions are guilty of graft and bribery have a duty to provide the supervisory organs with information, and a duty to expose and report on them. Those who have rendered meritorious service in exposing and reporting on the offenders must be rewarded according to the relevant regulations. The political, disciplinary, and legal liabilities who conceal what they know of cases, and who cover up or give unprincipled protection to the offenders, will be investigated and affixed. Those who [words indistinct], invent a story, lodge a false accusation, and frame other people will also be severely punished. [end recording]

## Southwest Region

### Guizhou Officials Urge Criminals To Confess

HK3108095889 Guiyang Guizhou Prov. Local Service  
in Mandarin 2200 GMT 30 Aug 89

[Excerpts] The provincial party committee held a mobilization rally for fighting economic crimes in Guiyang yesterday, which was attended by functionaries of party, government and military organs of the province and Guiyang city.

The meeting called on cadres, workers and staff members and the masses to go into immediate action to plunge into the struggle against economic crimes such as corruption, bribery and speculation. More than 1,500 people of the province and Guiyang City attended the meeting, including Liu Zhengwei, Wang Chaowen, Ding Tingmo, Long Zhiyi, Hu Kehui, Liu Hanzhen, Wang Zhenjiang, Zhang Yuqin, Li Wanlu, Wang Shouting and other party and government leaders of the province and

Guiyang city. The meeting was presided over by provincial party committee Secretary Liu Zhengwei. Both Governor Wang Chaowen and Guiyang City CPC Committee Secretary Li Wanlu delivered a speech of mobilization at the meeting.

In his speech, Governor Wang Chaowen pointed out: [passage omitted] The struggle against economic crime in our province at the moment is developing in depth. Since the Supreme People's Court and the Supreme People's Procuratorate announced the deadline for economic criminals to surrender themselves half a month ago, a certain number of criminals, under the influence of the party's policy, have surrendered themselves to procuratorial organs, some criminals who are now serving a sentence have also of their own accord confessed what they had concealed and some criminals who had refused to surrender themselves began confessing their crimes. However, we should in no way overestimate what we have achieved and should have a clear understanding of the gravity of economic criminal activities. Economic criminal activities in our province are still running wild and the percentage of serious cases is rising. Some criminals show no sign of repentance and try to get by under false pretence. We must, therefore, carry on the struggle against economic crimes to the finish without let-up according to the resolution passed by the Second Plenary Session of the Sixth Provincial Party Committee.

Wang Chaowen said: Party committees at all levels must go into immediate action to launch a struggle against corruption, bribery and speculation, which is great in strength and impetus, throughout the province in September and October, and seriously study and give wide publicity to the notice issued by the Supreme People's Court and the Supreme People's Procuratorate so that the spirit of the notice will be made known to every household and the masses will rise to fight economic criminals. The principle of giving full play to the role of special organs and following the mass line must be applied while investigating and handling economic criminal cases, and especially some serious and major cases.

Liu Zhengwei also delivered a speech at the mobilization rally. [passage omitted] He said: We sternly warn economic criminals that there are two ways for you to follow. One is leniency to those who confess their crimes; if you do so, you can turn over a new leaf and have bright prospects. The other is severity to those who refuse to surrender themselves; if you continue to resist stubbornly, you will sink deeper and deeper into the quagmire of crime, you will be severely punished. What course to follow—that is a question you must decide quickly for yourselves. We may say that we have given you the initiative of confessing your crimes before 31 October. You will be well-advised to weigh the pros and cons, readily accept good advice and confess your crimes at an early date to receive lenient treatment. Liu Zhengwei hoped that party members, cadres, and the masses of the people of the whole province would arouse themselves immediately to respond to the call of the

Party Central Committee and the State Council to actively report and boldly expose all criminal offenses so as to push the struggle against corruption, bribery and speculation to a new height.

### Guizhou Court Sentences Economic Criminals

HK0109024589 Guiyang Guizhou Provincial Service in Mandarin 2200 GMT 30 Aug 89

[Excerpts] The provincial People's Court and the Guiyang City People's Court yesterday held a meeting to pass judgment on a certain number of economic criminals. The court showed leniency to those who confessed their crimes and severity to those who refused to confess. Four criminals were given lenient treatment because they had on their own accord given themselves up and returned all money embezzled and received in bribes and speculation. Two other criminals were sentenced to death according to the law and executed immediately. [passage omitted]

The two criminals who were sentenced to death according to the law and executed immediately and were deprived of their lifelong political rights were convicted of serious corruption and graft. One, called (Deng Anwei), was a chief accountant of the China Agricultural Bank branch in Beiyun district of Guiyang City; the other, named (Song Shunwen), was head of an individually owned industrial and commercial household. [passage omitted]

### Tibet Party Chief Inspects Nagqu Prefecture

HK0109083589 Lhasa Tibet Regional Service in Mandarin 1030 GMT 31 Aug 89

[Excerpt] Regional Party Committee Secretary Comrade Hu Jintao reached Nagqu on the afternoon of 30 August for an inspection visit.

Accompanied by responsible comrades of the Nagqu Prefectural Party Committee and Administrative Office, on the very afternoon of the day he called on some teachers of the prefectural middle school teachers and inspected the Nagqu Geothermal Energy Research Office. Comrade Hu Jintao extended his best regards to teachers and administrative staff of the prefectural middle school and encouraged students of the school to study hard to cultivate themselves as qualified persons competent for construction of Nagqu and Tibet. He also had a cordial chat with staff of the Nagqu Geothermal Energy Research Office and inquired of them about the exploitation and utilization of geothermal energy.

On the morning of 31 August Comrade Hu Jintao listened to a briefing on work of the Nagqu Prefectural Party Committee and Administrative Office and fully affirmed what they had achieved in leading party members and 280,000 people of all nationalities of the prefecture to implement the one-central-task and two-basic-points basic line laid down by the party Central Committee and in economic construction as well as in



their efforts to keep the situation stable, and paid high tribute to cadres of Nagqu prefecture for their hard work under harsh climate and difficult circumstances. In conclusion, Comrade Hu Jintao emphasized that implementing well the spirit of the 4th Plenary Session of the 14th CPC Central Committee is a primary task at the moment for party and government organs at all levels of the region. [passage omitted]

### **Yunnan Concludes Minority Work Meetings**

HK0109092089 Kunming Yunnan Provincial Service  
in Mandarin 1200 GMT 31 Aug 89

[Excerpt] The Yunnan provincial minority nationalities work conference and the second provincial national unity and progress commendation meeting were concluded at the Kunming National Defense Theater yesterday afternoon.

Vice Governor Li Shuji presided over the two meetings. Attending were Pu Chaozhu, He Zhijiang, Nie Ronggui, Yin Jun, (Zhao Shumin), Ren Keli, Li Xingwang, Yang Yitang, Dao Guodong, Bao Yongkang, Ma Huiting, Dao Shixun, (Liu Minhui), (Sun Yuding), (Gao Zhiguo), Wang Lianfang and other responsible comrades of the provincial party committee, the provincial Advisory Commission, the provincial Discipline Inspection Commission, the provincial People's Congress, the provincial people's government, and the provincial Chinese People's Political Consultative Conference Committee; as well as responsible persons of the provincial Military District, the provincial people's Armed Police Force, democratic parties and local mass organizations and nonparty outstanding figures. In addition, Jiang Ping, advisory of the CPC Central Committee United Front Work Department; and Chen Xin, vice minister of the State Nationalities Affairs Commission; attended the meetings too.

Governor Zhao Tingguang delivered a speech at the meetings. He said the two grand meetings, displaying great unity of all our nationalities, are of very great significance for unifying the thought of cadres and the people of all nationalities with the spirit of the fourth plenary session, achieving a high level of political unity with the party Central Committee, upholding the four cardinal principles, adhering to the reform and opening up policy, combating bourgeois liberalization and continuing to march forward along the line laid down by the 3d Plenary Session of the 13th CPC Central Committee. Zhao Tingguang expressed the belief that the implementation of the spirit of the two meetings will certainly create a new situation in our province's work among minority nationalities. [passage omitted]

### **North Region**

#### **Beijing Handles More Economic Crimes**

OW0109103589 Beijing XINHUA in English  
0929 GMT 1 Sep 89

[Text] Beijing, September 1 (XINHUA)—Beijing's procuratorial organs have reported 362 cases of economic crimes in the first half of this year, 50 percent more than the same period last year.

According to the Beijing Bureau of Industry and Commerce, there has been a steady increase in economic crimes in the past few years. In 1988, Beijing ferreted out 291 embezzlement cases and 177 bribery cases, these figures are 7.4 percent and 13.5 percent higher respectively than in 1987.

In the first six months of this year, major cases (excluding cases of bribery and embezzlement exceeding 30,000 yuan) were 110 percent higher than in the same period last year.

At the instruction of the party Central Committee and the State Council, the Beijing municipal government began to attack economic crime, after the quelling of the counter-revolutionary rebellion in early June.

The city has recently set up an office to deal specifically with economic crimes. Meetings were held to rouse the masses to struggle against economic crimes and encourage criminals to confess their crimes to legal departments.

According to the Beijing People's Procuratorate, since the country's Supreme People's Court and Supreme People's Procuratorate made an announcement calling on criminals to surrender to legal departments earlier this month, 39 people in the city have confessed their crimes to legal departments or their party organizations and they have returned 222,000 yuan of illicit money.

#### **77 Foreign Businesses Establish Beijing Offices**

OW3108191989 Beijing XINHUA in English  
1456 GMT 31 Aug 89

[Text] Beijing, August 31 (XINHUA)—Seventy-seven foreign business agencies established their Beijing offices between early April and August 28—three more than in the same period last year, which saw a record number established.

Today's "BEIJING DAILY" reported that these agencies come from more than a dozen countries and regions, including Japan, the Federal Germany, France, Britain, Australia, the United States and Singapore.

According to the Beijing Administration for Industry and Commerce, even in June, when Beijing quelled the anti-government riot, 13 such foreign agencies were registered.

From April to August, 75 Beijing offices of foreign business agencies asked the Beijing Foreign Enterprise Service Corporation to provide employees. During the period, the companies sent 384 long-term employees and 113 temporary employees.

Up to now, 92 Chinese employees have become chief representatives or permanent representatives of the Beijing offices of foreign business agencies.



## Northeast Region

### Liaoning Conference Discusses Missing Firearms

SK0109020089 Shenyang LIAONING RIBAO  
in Chinese 19 Aug 89 P 1

[Text] On the afternoon of 17 August, the provincial government held a telephone conference to further arrange the work of capturing [2392 4945]the missing firearms and ammunition.

During the counterrevolutionary rebellion in Beijing, quite a few firearms and some ammunition of the martial law enforcement troops were plundered or missing. Vice Provincial Governor Chen Suzhi said at the conference: Over the last year, the province made initial progress in investigating and capturing the missing firearms and ammunition. According to incomplete statistics, 156 guns, 4,616 bullets, 130 hand grenades, 75 shells, 5,105 detonators, and a number of explosives were captured.

Chen Suzhi made specific arrangements for further investigating and capturing the firearms and ammunition and urged all cities to further upgrade their understanding of the importance and urgency of the work, strengthen organizational leadership, and firmly attend to the work. Meanwhile, all departments should work in close cooperation with each other and further deeply mobilize the masses to carry the work through to the end. In line with the work of quelling the riots, checking criminal offenders, dealing blows to hooligans, and opposing thefts, public security and judicial organs should open various channels to launch the campaign of deeply ferreting out the missing firearms, handle cases according to their seriousness, clearly distinguish reward from punishment, and bring into full play the influence of the party's policies.

### Liaoning Workers Provide Mutual Assistance

OW3108191789 Beijing XINHUA in English  
1458 GMT 31 Aug 89

[Text] Shenyang, August 31 (XINHUA)—About one million out of the 10 million workers in northeast China's Liaoning Province have been involved in various kinds of mutual help activities in recent years.

A local official said that over 1.5 million problems are solved through the activities each year.

In factories and workers' living areas, free services like sewing, washing, haircutting, and repairing can be seen here, there and everywhere.

Statistics show that there were over 7,100 such service centers in the province by the end of last year.

Most people engaged in such services are retired workers or part-time workers, said the official.

In addition, grass-roots trade unions have taken measures to help the province's five percent poverty-stricken

people to get rid of poverty by encouraging them to take up animal breeding, planting, and so on as second jobs.

Workers also raised funds to set up many associations to take care of the aged and children, or to make preparations for the weddings of young workers and make funeral arrangements for the dead, he added.

## Northwest Region

### Xinjiang Leaders Pay Last Respects to Burhan

HK3108102489 Urumqi Xinjiang Regional Service  
in Mandarin 1130 GMT 30 Aug 89

[Excerpts] A solemn ceremony was held in the auditorium of the Urumqi Guesthouse this morning to pay last respects to Comrade Burhan Shahidi, a loyal communist fighter, a great patriot, a well-known social activist, an outstanding representative of the Uygur people, vice chairman of the sixth Chinese People's Political Consultative Conference [CPPCC] National Committee, and honorary president of the China Islamic Association.

Comrade Burhan passed away in Beijing on 27 August, at the age of 95. His remains, carried by a special plane, arrived in Urumqi from Beijing at noon yesterday.

Among those who came to pay their last respects to Comrade Burhan's remains and presented wreaths amid mournful funeral music were Wang Enmao, Ismail Amat, Song Hanliang, Tomur Dawamat, Janabil, Li Shoushan, Amudun Niyaz, Zhang Sixue, Ba Dai, (Teyoumu Bawudong), Tang Guangcai, Shi Geng, Huang Baozhang, Guo Gang, (Liang Guoying), Feng Dazhen, (Talixiemu Silamu), Bai Chengming, (Qin Guo), (Turxun Atawula), (Wang Zhengwen), (Abudureyimu Amiti), (Ding Jixun), (Yin Yanchen), Li Jiayu, Codanov, Mayenur, Chen Xifu, Mahsud Deipov, Xiaer Xibieke Sidike, Zhang Shaopeng, Ma Mingliang, Kuerban Ali, Abudureyimu Litifu, Xu Peng, Tuerbayier, Hederbai, Jin Yunhui, Yusufu Muhanmode, Mao Dehua, (Yiminuofu Hamiti), Fu Wen, Meihemaiti Simayi, Wang Shizhen, Kanbarhan Aimaiti, Han Youwen, Tayier Maimaiti, Yibulayin Rouzi, Deyal Khulmash, Zhang Yi, Ga Wenxiang, Maimaiti Niyazihari, Aronghanaji, Gao Huanchang, (Li Zhengdong), (Zhang Dehu), (Wang He), (Mamituofu), (Duan Shiguang), (Wang Enqing), (Zhang Lingru), (Wang Ling), Xiao Quanfu, Tan Shanhe, Zhang Xiqin, (Xu Bojian), (Xin Zhongpan), (Xiong Guang), Liu Shuangquan, (Zhang Peng), Wen Kexiao, Luo Quanyuan, Bo Taiyi, Li Chi, Ismail Mahsut, Li Shuyuan, (Li Haomei), (Chen Shi), (Zhao Yuzheng), (Zeng Jifu), (Yu Zhengdong), (Mao Naishun), (Wang Shouchen), (Ming Yongyi), (Liu Bingzheng), (He Jingnan), (Shi Ji), and (Peng Zhicheng). They expressed their heartfelt condolences to La Xida, Comrade Burhan's wife and member of the CPPCC National Committee, and to their children.

**President Li Meets Guatemalan President Cerezo****Development Discussed**

*OW3108123489 Taipei CNA in English 1137 GMT  
31 Aug 89*

[Text] Taipei, Aug. 31 (CNA)—President Li Teng-hui met with visiting Guatemalan President Marco Vinicio Cerezo Arevalo Thursday at the Presidential Office for wide-ranging talks.

President Li, on behalf of the ROC Government and people, extended a warm welcome to President Cerezo for his state visit here.

Li said the Republic of China and Guatemala have shared longstanding friendship. He said he believes President Cerezo's current visit will add another new page to the cooperative relationship between the two countries.

The two heads of state then exchanged their views on the promotion of economic, agricultural, and pulp-making industry cooperation between the two countries.

President Cerezo said the Republic of China's successful economic development provides a model for other developing countries. He hoped the two countries can strengthen exchange of development experience and technological transfer.

President Li, who once visited Guatemala and had presided over a program to assist Guatemala's economic development during his tenure as the ROC Vice President, told Cerezo that he has been concerned with Guatemala's national development and its people's well-being. He assured Cerezo that the ROC is willing to do its best to assist Guatemala in her economic development projects.

President Cerezo, on behalf of his government and people, invited President Li to make a state visit to his country. Li expressed his thanks for the invitation and said he would like to see the results of various ROC-Guatemalan cooperation projects during his visit to the Central American nation.

Also present at the meeting were Presidential Secretary General Li Yuan-zu, Gen. Kuo Ju-lin, personal chief of staff to the President, Foreign Minister Lien Chan, Guatemala's Foreign Minister Mario Palencia Lainfiesta, and Economics Minister Oscar Pineda Robles.

President Cerezo and his entourage arrived in Taipei Wednesday afternoon for a 6-day state visit.

**Banquet Held**

*OW3108210389 Taipei CNA in English 1607 GMT  
31 Aug 89*

[Text] Taipei, Aug. 31 (CNA)—Guatemalan President Marco Vinicio Cerezo Arevalo said Thursday he believes

the Republic of China's [ROC] economic assistance to Guatemala will help promote prosperity in his country.

The visiting president stressed that his government and people cherish their long-standing friendship and cooperation with the ROC.

President Cerezo made the remarks at a state banquet given in his honor by President Li Teng-hui, who told his guest the ROC also treasures its friendly and cooperative ties with Guatemala.

The two chiefs of state reaffirmed their determination to further strengthen bilateral relations in the [words indistinct].

The dinner party was participated in by 78 guests of honor, including members in President Cerezo's entourage, foreign chief of mission in the ROC, as well as ranking officials of the host country.

**Premier Deplores Excessive Stock Market Reports**

*OW0109053289 Taipei CNA in English 0322 GMT  
1 Sep 89*

[Text] Taipei, Sept. 1 (CNA)—Premier Li Huan criticized newspapers Thursday for cutting cultural news in order to increase stock market stories. "This change is indeed something noteworthy," he said.

Speaking at the Press Institute of the Republic of China on the eve of Sept. 1 Reporters' Day, Li said Taiwan had made rapid economic progress but its cultural construction needed to be strengthened.

"It is not wealth but the quality of life that is the measure of a society's progress," Li said after being given an honorary membership card by the institute.

If newspapers just report on the seamy side of society, they will have an adverse influence on national development, he said.

The premier said press reports on the positive side of society, would "have an encouraging effect on the people," and therefore needed to be strengthened.

As to press comments on his leadership, the premier said he would refer to media discussions in making future policies but did not "mind too much" press criticisms. "I will take note of criticisms, though," he added.

**Cabinet Hears Report on July Economic Situation**

*OW0109053089 Taipei CNA in English 0301 GMT  
1 Sep 89*

[Text] Taipei, Sept. 1 (CNA)—The Republic of China's [ROC] foreign trade rose significantly in July, but its leading economic indicators continued to decline for the fourth consecutive month, Fredrick Chien, chairman of the Council for Economic Planning and Development, reported Thursday at a weekly cabinet meeting.

Chien said the nation's foreign trade reached 11.01 billion U.S. Dollars in July, up 14.5 percent from the same month of last year. Exports accounted for 6.39 billion U.S. Dollars, a single-month record for the nation and a 22.3 percent increase over July, 1988.

Chien attributed the significant rise in part to delayed deliveries of some indirect exports to the Chinese mainland because of the Tienanmen incident. Another factor was the transfer of foreign orders from South Korea to Taiwan because of the appreciation of the Korean won and labor-management disputes in that country.

Chien noted that the government's tax revenues also increased a hefty 47.7 percent to reach 79.7 billion New Taiwan dollars in July. But, he warned that the local economy has been showing signs of slowing down, citing evidence that the growth of industrial production has declined in recent months and that the nation's leading economic indicators have continued their four-month fall.

Moreover, the U.S. Federal Reserve Board recently reported that the U.S. Economy has shown significant signs of slowing. This might have an adverse impact on the ROC's future economic growth, Chien said.

He also pointed out that the nation's trade surplus with the United States has widened in recent months, and might thus become a new obstacle in Taipei-Washington trade consultations.

Chien concluded that the government should accelerate import liberalization in order to reduce trade friction and should speed up the privatization of state-run enterprises and increase public investments so as to sustain the nation's economic growth.

#### **KMT Approves Vice Minister for New Post**

*OW3108133389 Taipei CNA in English 0334 GMT  
31 Aug 89*

[Text] Taipei, Aug. 31 (CNA)—The ruling Kuomintang [KMT] Wednesday approved the nomination of Administrative Vice Finance Minister Lai In-jaw for the post of political vice finance minister despite the fact Lai is not a party member.

The KMT Central Standing Committee, in its weekly meeting Wednesday, accepted a recommendation by Premier Li Huan to nominate Lai for the post after approving Ronald C. Ho's resignation. Li spoke highly of Lai's integrity, expertise and dedication to his work, saying that Lai is the most proper candidate for the post.

KMT Secretary-General James Soong also said he was deeply impressed with Lai's sincerity and sense of responsibility in their meetings in the past. Soong disclosed that Lai said he will find a proper time to join the KMT as his political ideals are identical to those of the KMT.

Lai, 43, is a native of Ilan County, Taiwan. He graduated from the Law Department of National Chung Hsing University and obtained an LL.M. [as received] from

National Taiwan University. Later, Lai went to Harvard University for advanced studies and got a master's and a doctoral degree there. He passed the high civil service examination in 1981 and since has served as lecturer, professor and director of the customs administration.

#### **Opposition Wants Senior Lawmakers Retired**

*OW0109051489 Taipei CNA in English 1241 GMT  
1 Sep 89*

[Text] Taipei, Sept. 1 (CNA)—Legislative Yuan leaders urged opposition lawmakers Thursday not to forcefully block senior lawmakers from reporting to the Yuan's new session Friday.

The Yuan's president, Liu Kuo-tsai, and vice president, Liang Su-jung, made the call in anticipation of possible protests by opposition Democratic Progressive Party [DPP] legislators.

The opposition has long called for the retirement of senior mainland lawmakers elected over 40 years ago and who have since never faced reelection by their constituencies.

Kuo Chun-tse, secretary general of the nation's highest law-making body, briefed Liu and Liang on "preventive measures" to be taken at the reporting desk on Friday.

In spite of what Kuo termed "perfect preparedness" against possible violent moves from the opposition aimed at forcing senior colleagues to quit, the ruling party's Legislative Yuan chapter asked old members in poor health to postpone reporting to the Yuan.

Kuo warned opposition lawmakers not to use "inappropriate means" to hinder senior lawmakers from "carrying out their constitution-given rights"—reporting to a legislative session.

"If they use violence, they will be hindering the execution of public duty," Kuo stressed. In that case, Liu and Liang said, "we will consider handling it according to law."

To prevent anything unhappy, Kuo said he had "reached a tacit understanding" with DPP legislators who promised to use "mild" protests only on Friday.

But Kuo still worried over what might really happen.

The upcoming 84th legislative session would normally meet from September to December, but because of the Dec. 2 elections, it was resolved during the Yuan's last session that the 84th session recess for one month from Nov. 1 to Dec. 2.

#### **More Groups Voice Support for Mainland Student**

*OW0109052889 Taipei CNA in English 0326 GMT  
1 Sep 89*

[Text] Taipei, Sept. 1 (CNA)—More and more local organizations Thursday voiced their sympathetic support of the student freedom seeker from the Chinese

mainland, Yang Po, and urged the governments of the Republic of China and the Republic of Korea to help him achieve his goal.

Chao Tze-chi, chairman of the ROC chapter of the World Anti-communist League and the Asian-Pacific Anti-communist League, called for Chong Il-kwong, former ROK premier and currently chairman of the Korean Freedom and Democracy League, to assist Yang.

The 20-year-old Yang went to the Republic of China Embassy in Seoul for help a few days before his Korean tourist visa expired. He claimed that he was listed among the counterrevolutionaries by the Peking authorities after actively participating in demonstrations in Japan against the Chinese Communist regime in June.

Yang said he would be severely punished if he were forced to turn to the Chinese mainland.

Chao, in his letter to Coung, hoped that Chung would lobby Korean Government officials on the basis of human rights to consider granting a favor to Yang.

The Youth Union, led by Dr Hsin hsiang-ho, appealed to the Ministry of Foreign Affairs [MOFA] to help Yang stay in the Free World.

The appeal, handed to a MOFA consular official, urged the government to work out a way to assist mainland pro-democracy protestors like Yang Po.

The union, claiming to have participated in the sit-in demonstrations at the Chiang Kai-shek Memorial Hall in early June in support of the mainland pro-democracy movement, urged the government, if constrained by the National Security Law, to urgently draft concrete measures, even a special law, to rescue such compatriots.

Veteran national assemblymen Chen Shih-cheng, Lo Tien-fu, and Jui Chin told a meeting of the National Assemblymen Amity Club that they would welcome Yang in the ROC and urged the government to allow Yang Po to come to Taiwan as a refugee.

Chen said he was assured by the Free China Relief Association that if the government granted Yang refugee status, the association would assist him in Taiwan.

### Radio Comments on Mainland Student Policies

OW3108103189 Taipei International Service  
in English 0200 GMT 27 Aug 89

[Station Commentary: "To Be Red and Expert"]

[Text] It sounds like a contradiction to us, but Peking is saying once again that it is best for mainland students to be both "Red and Expert."

Red meaning they must love the Communist Party and allow the party to brainwash them on Marxist-Leninist-Maoist principles. Expert means just what it

says—the students should learn their respective field and make contributions to the mainland's development after they graduate.

The "Red and Expert" idea comes from the Cultural Revolution of the 1970s and 1980s. During that tragic event, millions of students, teachers, intellectuals, and party workers were sent into the countryside to learn how to be red. Maoist boot camps were set up, and the people were force-fed red thought.

Now, Peking has announced that it will return to the "Red and Expert" program. As a first step, the Communist Party leaders in Peking have ordered tens of thousands of Peking students, workers, factories for ideological education.

The point is to have intellectuals who might otherwise be distanced from the impoverished masses learn what it is like to be poor, but purely red.

The current drive is part of a campaign to reestablish the dominance of Communist ideology after the crackdown on the prodemocracy movement in June. Peking wants to take the mainland back to communist basics, to head off at the pass any lingering hopes intellectuals might have of rekindling the prodemocracy movement.

The program extends mostly to universities in Peking, where the freshman class of '93 is now required to undergo a year of ideological bootcamp before being permitted to matriculate at the universities.

Freshmen must first prove their love for the Communist Party, and their dedication to enhancing communist ideology in society-at-large. If they don't make the communist grade, they will be refused permission to enter the university and their residence permits in Peking will be revoked.

If the Communist Party actually believes it will get away with this digression to Maoist education practices, it has another thing coming to it. The May and June mass protests in Tienanmen Square in Peking and other large cities were the result of students and intellectuals having become fed up with the communist system. That Peking has quashed the anticommunist movement for now, is tragically true.

But Peking should be served notice that the brainwashing factory is bound to turn out not just rejects, but a multitude of people who will turn around and hate the party, and seek its destruction.

The days of being red for the sake of perpetuating the rule of a bankrupt Communist Party and system are over. The people now see that no one can be both red and expert at the same time. Moreover, they realize that the Communists do not intend it that anyway. [Sentence as received] The party puts its interests above all else, and prefers that people be red, poor, and backward, rather than expert and well-off. This whole thing is going to backfire something fierce, and when it does...



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